

January 11, 2010

Via ECFS Electronic Submission

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, SW, TW-325
Washington, DC 20554

**RE: Joint Appeal of USAC Notification of Commitment Adjustment Letter
CC Docket Nos. 02-6 & 96-45
Request for Review
Form 471 Application Number: 569482
Funding Year: 2007 (July 1, 2007 – June 30 2008)**

Billed Entity Name: West Texas Telecommunications Consortium
Billed Entity Number: 196396
FCC Registration Number: 0011794930
Contact Name: Mike Wetsel, Administrator WTTC
Address: 1850 Highway 331, Abilene, TX 79601
Contact Numbers: Office 325-675-8662; Cell 325-437-8173
Fax Number: 325-675-8659
Email Address: mwetsel@esc14.net

Service Provider Name: Texas State Technical College - Sweetwater
Service Provider ID Number: 143007795
Service Provider FCC Registration Number: 0007936313
Contact Name: Ricardo Herrera, Chief Technology Officer
Address: 300 College Drive, Sweetwater, TX 79556
Contact Numbers: Office 956-364-4052, Cell 956-245-4540
Fax Number: 956/364-5103
Email Address: Rick.Herrera@TSTC.edu

Dear Ms. Dortch:

West Texas Telecommunications Consortium (“WTTC” or “Billed Entity”) and Texas State Technical College – Sweetwater (“TSTC” or “Service Provider”), hereby submit a joint appeal to the FCC of a Notification of Commitment Adjustment Letter (“NCAL”) issued on November 12, 2010, by the Universal Service Administrative Company (“USAC”).¹ By the

¹ Copy attached as Exhibit 1. This appeal is timely made within 60 days of the date of the NCAL.

NCAL, USAC seeks to rescind in full the commitment of \$588,846.50 for funding year 2007 (funding request number 1586570). Such decision was reached based on a flawed interpretation of a USAC audit of that 2007 funding request (Findings number SL2008BE148-F01)(“Audit Findings”).² Based on an erroneous notation in the Audit Findings that a vendor representative sitting on the WTTC Board had “participated” in board discussions regarding the bidding process the auditor concluded that a material noncompliance with FCC Order 00-167 had occurred.³ While such Audit Findings indicated that TSTC’s seat on the Board of WTTC could lead to an unfair bidding process in future years, it found no monetary effect had occurred for the 2007 Funding Year and listed the condition as a material weakness in internal control, but not a significant deficiency, recommending only that a policy be implemented to either exclude service providers from sitting on the board or at least excluding such board member from participating in competitive bidding discussions. Based on the erroneous audit conclusion that the vendor representative had participated in board discussions of the bidding process, as well as a conclusion not contained in the Audit Findings at all, that such board member participated in the ultimate selection of the vendor, the NCAL went on to conclude that TSTC’s relationship with the applicant influenced the outcome of the proceeding and allowed it to unfairly compete in the bidding process.⁴ As shown below, the TSTC board member, one of the nineteen board members, was not a contact on the 470, did not craft the requirements for services listed on the 470, did not evaluate the proposals received, did not make recommendations regarding such proposals to the board, did not participate in board discussions of the proposals received and did not vote on the selection of the vendor. Given the specific facts of this case, USAC erred in its application of Commission precedent under the *Mastermind* case to conclude that WTTC had somehow surrendered control of the process to TSTC and that a conflict of interest existed that so compromised the competitive bidding process that the entire 2007 funding must be rescinded. Accordingly, WTTC and TSTC respectfully request that the FCC reverse the determination reached by USAC in its NCAL.

Background and Facts of the Case

WTTC was founded in 1996 by Education Service Center 14 (ESC14), TSTC and 10 school districts for the purpose of applying for a Telecommunications Infrastructure Grant from the State of Texas. TSTC was the coordinating member until 1999 when control was relinquished to ESC14 and Steve Simoneau became the WTTC director. This change in leadership of the

² Copy attached as Exhibit 2.

³ *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Service, Inc., Federal-State Joint Board on Universal Service*, Order, FCC 00-167, 16 FCC Rcd. 4028 (2000), ¶10. (*Mastermind*). Copy of Paragraph 10 attached as Exhibit 3.

⁴ Such a conclusion is rendered more unreasonable when one considers the identity of TSTC, the vendor in question. TSTC as a not for profit state entity, which as a vendor provides no commercial internet access to the public. See discussion in FCC File No. EB-08-TC-5674. TSTC shares a common goal with both USAC and WTTC, namely to provide the most cost effective technological resources to school districts. Accordingly, as one might expect, in this case, TSTC was by a wide margin the low bidder to provide internet access services.

WTTC was specifically implemented to address the ability of the WTTC to comply with FCC policy. E-Rate funds were not received until the next year. TSTC, as a founding member, retained a seat on the nineteen person board of directors.

For the 2007 E-Rate Funding year Steve Simoneau, in his capacity as the WTTC Director, was responsible for ascertaining the needs of the schools, preparing and issuing Form 470s, collecting bids and proposals, reviewing such bids and proposals, formulating and presenting recommendations to the WTTC Board of Directors and issuing the Form 471.⁵ For the 2007 funding year Mr. Simoneau determined that bids for internet service providers must address connectivity for 68 T-1 lines for 41 schools and prepared and filed a Form 470 on November 7, 2006.⁶ Such Form 470 listed Mr. Simoneau as the sole contact. Two bids were subsequently received and reviewed by Mr. Simoneau one from TSTC and the other from Trillion. The bid received from TSTC was for \$63,700 per month, while a bid received from Trillion came in approximately 75% higher at \$110,946 per month.

The Board considered the matter at a special meeting convened on January 24, 2007. Such meeting was open to the public and by videoconference. Per the minutes, Mr. Simoneau presented his recommendations and the Board, consistent with USAC rules, voted to select the substantially lower bid submitted by TSTC. The board minutes, while indicating the presence at the meeting of board member Larry Wilke (the Board member from TSTC), also indicate that there was an abstention from the vote on both E-Rate selection matters. Affidavits submitted herewith for Mr. Simoneau, as well as Mr. Wilke and four members of the 2007 WTTC Board, who were present at that meeting, make clear that it was Mr. Wilke that abstained from the vote, and further that Mr. Wilke had excused himself from the room during discussions of the internet service matter and during the vote on that matter.⁷

An audit conducted by USAC of the 2007 WTTC E-Rate submission and processes in 2009 resulted in the issuance of USAC Audit Findings No. SL2008BE148_FOI. The Audit Findings focused solely on the criteria from paragraph 10 of the *Mastermind* order that a “beneficiary shall not surrender control of its competitive bidding process to a service provider that participates in that bidding process and will not include service provider contact information on its FCC Form 470.” The Condition and Cause sections of the Audit Findings states in pertinent part that: 1) “a representative of the service provider, Texas State Technical College - Sweetwater (SPIN #143007795), is a member of the Beneficiary's board of directors and participated in Board discussions regarding the bidding process” [emphasis added](which the cover letter referred to as a material noncompliance with the *Mastermind* order); and 2) “The consortium does not have a conflict of interest policy or other policy in place such that

⁵ Affidavit of Former WTTC Director Steve Simoneau is attached hereto as Exhibit 4.

⁶ Form 470 (Application No 249490000594825) at Exhibit 5.

⁷ See Affidavit of former WTTC Director Steve Simoneau at Exhibit 4; Affidavit of former WTTC Board Member Larry Wilke (TSTC Employee) at Exhibit 6; Affidavit of 2007 WTTC Board Chair Hal Porter at Exhibit 7; Affidavit of 2007 WTTC Board Member Roger Huber at Exhibit 8; Affidavit of 2007 WTTC Board Member Todd Burleson at Exhibit 9; Affidavit of 2007 WTTC Board Member Donald W. Hughes at Exhibit 10;

precludes such these types of relationships or involvement.” The Effects cited by the Audit Findings included: 1) that “there was no monetary effect resulting from this matter as based on review of both bids received, this bid was the most cost effective received by the Beneficiary for Internet access services for Funding Year 2007. However, participation in the selection of a service provider by an individual that works for the vendor could result in a conflict of interest and may result an unfair bidding process in future years.” The Finding went on to categorize the condition as “a material weakness in internal control” and recommended that WTTC “implement a conflict-of-interest policy to preclude vendors from becoming board members, or alternatively a policy to exclude such board members from service provider and competitive bidding discussions during board meetings.”⁸

Based on recommendations in the USAC Audit Findings, in October WTTC revised Article 3.05 of the WTTC Organization Contract, to include language that states, “No Member who is providing services to the consortium or any of its members may serve on the Board of Directors.”⁹ In accordance with the new WTTC policy Larry Wilke (TSTC) resigned from the WTTC Board as of October 7, 2010, and Tracy Millican (AT&T) resigned from the WTTC Board as of October 6, 2010.¹⁰

On November 12, 2010, USAC issued its NCAL accompanied by a Funding Commitment Adjustment Report concerning Funding Request Number 1586570. Therein, USAC stated:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit, it was discovered that a representative of the service provider, Texas State Technical College-Sweetwater, is also a member of the applicants Board of Directors and participated in Board discussions regarding the bidding process and selection of the vendor. [emphasis added] FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant’s consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with “inside” information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interest and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.¹¹

⁸ See Audit Findings at Exhibit 2.

⁹ See West Texas Telecommunications Organization Contract at Exhibit 11. The revised language, while policy since October, must be read at three Board meetings before the amendment is deemed final. The language was read at the December 2010 meeting and will be read at the February and April meetings in 2011.

¹⁰ See WTTC Board Resignation Letter of Larry Wilke at Exhibit 12 and WTTC Board Resignation Email of Tracy Millican at Exhibit 13.

¹¹ NCAL at Exhibit 1.

DISCUSSION

USAC's Conclusions were based on errors of fact

In its November 12, 2010 NCAL, USAC concludes that WTTC's relationship with a selected service provider (TSTC) represented a conflict of interest sufficient to compromise the competitive bidding process, and warrant a full rescission of the 2007 E-Rate funds commitment for the provision of internet service. However, because such conclusions are based completely on an erroneous 'Condition' notation in the Audit Findings that TSTC employee and WTTC board member Larry Wilke "had participated in Board discussions regarding the bidding process," and on an erroneous statement, found in the NCAL Adjustment Report but not in the Audit Findings, that Larry Wilke had also "participated in ...the vendor selection," such conclusions are flawed and must be overturned.¹²

As indicated in the Affidavit of WTTC Director Steve Simoneau, the Audit Findings misconstrued the WTTC meeting minutes to conclude that Larry Wilke had participated in Board discussions regarding the bidding process.¹³ While Mr. Wilke was in attendance at the Board meetings dated August 2, 2006, October 4, 2006 and December 6, 2006, whose minutes reflect that USAC related issues were discussed, none of those discussions concerned the Internet Service Provider solicitation criteria, bid process or review of such applicants.¹⁴ While discussion at the December 6, 2006 meeting did mention the need for a special board meeting in January of 2007 to consider bids that might be submitted in response to outstanding 470 solicitations, previously file on November 7, 2006, no details of those solicitations or any bid or consideration criteria was discussed.¹⁵ Mr. Wilke's knowledge that bids would be considered by the Board following submission at a meeting in January of 2007 could hardly be construed to provide TSTC with an unfair competitive advantage. Further, as is made clear in the affidavits of both Mr. Wilke and Mr. Simoneau, Mr. Wilke was not involved in the crafting of the requirements for services listed on the 2007 470 Form concerning internet service providers, did not prepare the 470, was not listed as a contact on the 470, did not receive the proposals, was not involved in the evaluation of such proposals,

¹² See NCAL at Exhibit 1 and Audit Findings at Exhibit 2.

¹³ Simoneau Exhibit 4.

¹⁴ The discussions at the August 2, 2006 meeting concerned WTTC member fees which are used to pay WTTC salaries. See 8/2/06 WTTC Board Minutes at Exhibit 14 and Simoneau Affidavit at Exhibit 4. The Discussions at the October 4, 2006 meeting merely announced that 470s would be filed as soon as the new forms were available. See 10/4/06 WTTC Board Minutes at Exhibit 15 and Simoneau Affidavit at Exhibit 4. Discussions at the December 8, 2006 meeting in addition to scheduling a special meeting for January of 2007, focused on an issue that would become important to the system in years beyond the 2007 funding year, specifically ways to increase capacity of the network. See 12/6/06 WTTC Board Minutes at Exhibit 16 and Simoneau Affidavit at Exhibit 4.

¹⁵ Simoneau Affidavit at Exhibit 4.

and did not make recommendations regarding such proposals to the board.¹⁶ Finally, as set forth in the affidavits of Mr. Simoneau, Mr. Wilke and four members of the 2007 WTTC Board, Mr. Wilke while in attendance at the special meeting on January 24, 2007 to consider E-Rate related bids, excused himself from the room while the Internet Service Provider bids, in which his college had participated as a vendor, were being discussed and voted on.¹⁷ Thus, contrary to the Condition notation within the Audit Findings, while Mr. Wilke was a representative of a service provider and did sit on the Board of WTTC in 2006 and 2007, he did not participate in board discussions regarding the bidding process for the internet services for which his state college employer TSTC submitted a bid.

As noted above the additional factual condition, that Larry Wilke participated in vendor selection, cited by USAC in the Adjustment Report accompanying the NCAL, is both incorrect and is not a condition identified by USAC within the Audit Findings. While Mr. Wilke was present at the January 24, 2007 WTC Board Meeting, as is made clear from the Board Minutes, accompanied by affidavits of Mr. Simoneau, Mr. Wilke and four members of the 2007 WTTC Board, Mr. Wilke had excused himself from the room while the Internet Service Provider bids were being discussed and voted on, and therefore, consistent with the meeting minutes, abstained from the vote.¹⁸ Any conclusion that Mr. Wilke participated in vendor selection for internet service during the 2007 Funding Year is therefore simply incorrect. Thus, USAC erred in its reliance on such erroneous findings to conclude that WTTC had somehow surrendered control of the process to TSTC and that a conflict of interest existed that so compromised the competitive bidding process that the entire 2007 funding must be rescinded.

USAC in its NCAL exceeded the recommendations and findings of its own audit

While the Audit Findings wrongly concluded that Mr. Wilke had participated in bid process discussions resulting in a material noncompliance with the *Mastermind* order, it concluded only that TSTC's seat on the Board of WTTC "could lead to an unfair bidding process in future years," and therefore listed the condition as a material weakness in internal control (but not a significant deficiency).¹⁹ As its sole recommendation the Audit Findings suggested that a policy be implemented to either exclude service providers from sitting on the board or at least excluding such board member from participating in competitive bidding discussions.²⁰ Based on the recommendations of the USAC Audit Findings and to prevent any possible

¹⁶ Simoneau Affidavit at Exhibit 4 and Wilke Affidavit at Exhibit 6.

¹⁷ 1/24/07 WTTC Board Minutes at Exhibit 17; Simoneau Affidavit at Exhibit 4; Wilke Affidavit at Exhibit 6; Porter Affidavit at Exhibit 7; Huber Affidavit at Exhibit 8; Burleson Affidavit at Exhibit 9; and Hughes Affidavit at Exhibit 10.

¹⁸ Id.

¹⁹ Audit Findings at Exhibit 2.

²⁰ Id.

future appearance of irregularity on such matters, WTTC has revised the language of its Organization Contract to implement a policy to exclude vendors from its Board, and both vendors with seats on the board surrendered their seats in October of 2010.²¹

With regard to the 2007 Funding Year, the Audit Findings concluded that, “there was no effect resulting from this matter based on review of both bids received, this bid was the most cost effective received by the Beneficiary for Internet access services for Funding Year 2007.”²² Therefore, the Audit Findings made no recommendation that any action was warranted with regard to the 2007 Funding Year process or awards made based on that process.

However, USAC thereafter appears to have incorrectly interpreted and amplified the Audit Findings to incorrectly conclude that TSTC’s representative on the board had both participated in discussions as well as vendor selection on an E-Rate contract for which it was bidding. USAC, without so stating, appears incorrectly to have increased the condition from a material weakness warranting future action to a significant deficiency that irreparably tainted the 2007 Funding Year selection process. In doing so USAC seems to have completely disregarded the conclusion of its own Audit Findings that “there was no monetary effect resulting from this matter.” Based on USAC’s disregard for its own Audit Findings observations, conclusions and recommendations, the decision reached in the NCAL should be reversed.

Cited case law and rules do not support USAC’s decision, given the facts of this case.

The Audit Findings cite only to the *Mastermind* case (FCC Order 00-167) as the criteria upon which WTTC’s factual conditions were evaluated.²³ It is clear given the facts reviewed by USAC in the Audit, the Conclusions reached in the Audit Findings, as well as the information contained in the various affidavits provided herewith, that no infraction occurred that would have mandated a conclusion that WTTC surrendered its selection process to TSTC as a vendor in any way. However, the NCAL in its Adjustment Report apparently relies instead on Section 54.503 of the Commission’s Rules to state that the Commission requires all participants “to conduct a fair and open competitive bidding process,” and that Mr. Wilke’s presence on the board, presumably given the specific facts of this case, would constitute a situation where the applicant for supported services has a relationship with a service provider that would “unfairly influence the outcome of a competition or would furnish the service provider with inside information” or allow it to unfairly compete. Given that the NCAL Adjustment Report is based on an incorrect conclusion that Mr. Wilke participated in board discussions regarding the bidding process, and participated in discussions regarding vendor

²¹ See WTTC Resolution at Exhibit 11; Wilke Resignation at Exhibit 12; and Millican Resignation at Exhibit 13.

²² Audit Findings at Exhibit 2.

²³ Audit Findings at Exhibit 2.

selection, we are left only with the fact that Mr. Wilke was but one member of the nineteen member WTTC board at that time. To conclude that board membership alone would in and of itself give rise to an impermissible relationship, would render inexplicable the option offered by USAC within its own Audit Findings that WTTC, rather than prohibiting altogether such board membership by vendors, could simply implement a policy that such vendor board members be excluded from related service provider and competitive bidding discussions. Accordingly because Mr. Wilke neither participated in any discussions of the process or the vendor selection that would have provided TSTC with an unfair advantage, the facts of this case when examined against Section 54.503 of the Commission's Rules, would not support USAC's decision to rescind in full the entire commitment for the 2007 Funding Year, and such determination should be overturned. Alternatively, to the extent that the Commission finds that a technical violation occurred it should grant WTTC a waiver of Section 54.503 in light of the specific facts of this case, where no prejudice occurred and the Audit Findings concluded that the correct result had occurred.

USAC's decision disservices USAC's stated goals and the public interest

USAC's own Audit Findings concluded that "there was no effect resulting from this matter based on review of both bids received, the bid was the most cost effective received by the Beneficiary for Internet access services for Funding Year 2007."²⁴ Further USAC's Audit Findings recommended no action with regard to the 2007 Funding Year, but instead only recommended prospective action in the form of a prophylactic policy, which was promptly implemented by WTTC prior to USAC's issuance of the NCAL. Accordingly USAC's decision to rescind in full its entire commitment of \$588,846.50 for funding year 2007 (funding request number 1586570), contrary to the Commission's longstanding policies of providing funding and otherwise promoting the provision of broadband services to schools and libraries, would be siphoning funds from such services and providing disincentives to state entities that attempt to provide themselves on a not for profit basis with cost effective and essential broadband services.

Education Service Center 14 (ESC 14) is the fiscal agent for WTTC and was also founded in 1965. The purpose of ESC 14 is found in the Texas Education Code. "Regional Education Service Centers shall: (1) assist school districts in improving student performance in each region of the system; (2) enable school districts to operate more efficiently and economically; and (3) implement initiatives assigned by the legislature or commissioner of education."²⁵ As such, ESC 14, and therefore WTTC, are governed by the state of Texas.

WTTC was founded in 1996 by ESC 14, TSTC and ten area school districts. The purpose of forming the consortium was to apply for a Telecommunications Infrastructure Fund grant. With the funding obtained in the grant, a network was establish to provide video, Internet access, and other technology benefits to the school districts in the consortium. Other schools

²⁴ Id.

²⁵ For more information see <http://www.texasresc.net/history.htm>.

have since been added. Now there are forty-one school districts that are members of the fifty-five member consortium. The goal of WTTC remains the same: provide quality technological resources to districts in the most cost effective manner. With E-Rate funding, 100 megabyte wireless links to every district that provide high-speed, high-quality video and Internet access along with e-mail, web pages and technical support was provided for less than \$10,000 per district in most cases.

TSTC was founded in 1965 for the purpose of filling the technical-vocational needs of the state of Texas. It is the only state-supported technical college system in Texas. TSTC maintains college campuses in Waco, Harlingen, Marshall, Sweetwater, Abilene, Brownsville and Breckenridge. As part of its functions TSTC provides internet services to its campuses and has extended such service to other Texas State governmental entities for their own internal uses. TSTC internet clients, billed on a flat fee - all you can consume basis, currently include three State or Community Colleges, one Municipal Hospital, the Region 14 Educational Service Center and the West Texas Telecommunications Consortium, whose membership is limited to K-12 education institutions within the state of Texas. TSTC is a not for profit entity and flat fees charged by TSTC to its government clients are used only to defray the cost of services. TSTC is not in the business of selling telecommunications services to members of the general public. Therefore, TSTC is not a commercial vendor, like those that USAC may be accustomed to dealing with and for which the FCC's rules were designed. Rather, TSTC is itself a Texas State educational facility with its own governing body to watch for improprieties.²⁶

As discussed above and in the various affidavits neither TSTC, nor Mr. Wilke, was consulted or involved in any WTTC discussions or selections of Internet Access vendor for the 2007 funding year. In addition, as USAC's own Audit Findings confirm, the WTTC board ultimately selected the most cost effective service offering,²⁷ leading the Audit Findings to conclude that any deficiencies identified had no impact on that selection year. Absent any actual involvement by TSTC in the WTTC vendor selection process, or any indication of how a board position gave them an unfair advantage in this instance, the rescinding of funds already spent on the most cost effective internet services option will do nothing more than strip funds from the Texas state educational system during a time of relative financial hardship in order to fill federal coffers, in contradiction of USAC's primary function, namely to allocate funds to promote the provision of broadband services to schools and libraries.

²⁶ For more information see <http://www.system.tstc.edu/welcome/history.asp>.

²⁷ Mr. Simoneau and a few of the Board members were uncomfortable with Trillion's business practices, which USAC itself later observed in other cases. See e.g. http://www.e-ratecentral.com/archive/News/News2009/weekly_news_2009_0622.asp. Nonetheless, despite any misgivings about Trillion, board member Beard's statement noted within the January 24, 2007 WTTC Board meeting minutes that "he felt more comfortable with TSTC and was pleased their proposal was the lesser of the two," confirms the reality that the board would have been compelled to select Trillion had their bid been the lowest. The fact that Trillion's bid was almost double that of TSTC, speaks less to the possibility of some sort of collusion or unfair advantage by TSTC, than to the efficiency with which non-profit state entities can provide such services to themselves.


Conclusion

WTTC was not and will not be influenced by any vendor in the E-Rate selection process. Neither TSTC, nor its employee that sat on the WTTC board, participated in the 2007 internet service provider selection process discussions, much less the vendor selection process and therefore, while the lowest bidder, did not taint the bidding process for that year. All agencies involved in this matter are governmental agencies that are not-for-profit and have no motives for collusion. WTTC's goal is the same as USAC's goal - providing low cost technologies to schools districts. Rescinding the funding will only provide a hardship for the Texas school districts involved.

Thank you for your consideration of this appeal.

Respectfully submitted,

Mike Wetsel, Administrator
West Texas Telecommunications Consortium



Ricardo Herrera, Chief Technology Officer
Texas State Technical College - Sweetwater

cc: (Via Email) Gina Spade
Schools and Libraries Division, USAC

Conclusion

WTTC was not and will not be influenced by any vendor in the E-Rate selection process. Neither TSTC, nor its employee that sat on the WTTC board, participated in the 2007 internet service provider selection process discussions, much less the vendor selection process and therefore, while the lowest bidder, did not taint the bidding process for that year. All agencies involved in this matter are governmental agencies that are not-for-profit and have no motives for collusion. WTTC's goal is the same as USAC's goal - providing low cost technologies to schools districts. Rescinding the funding will only provide a hardship for the Texas school districts involved.

Thank you for your consideration of this appeal.

Respectfully submitted,



Mike Wetsel, Administrator
West Texas Telecommunications Consortium

Ricardo Herrera, Chief Technology Officer
Texas State Technical College - Sweetwater

cc: (Via Email) Gina Spade
Schools and Libraries Division, USAC

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007
West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 1

**USAC November 12, 2010 Notification of Commitment Adjustment Letter
And Funding Commitment Adjustment Report**



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

November 12, 2010

Steve Simoneau

WEST TEXAS TELECOMMUNICATIONS CONSORTIUM

1850 HIGHWAY 351

ABILENE, TX 79601

Re: Form 471 Application Number: 569482
Funding Year: 2007
Applicant's Form Identifier: wtcc471yr10
Billed Entity Number: 196396
FCC Registration Number: 0011794930
SPIN: 143007795
Service Provider Name: Texas State Technical College - Sweetwater

Service Provider Contact Person: Kevin Shipp

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Kevin Shipp
Texas State Technical College - Sweetwater

Funding Commitment Adjustment Report for
Form 471 Application Number: 569482

Funding Request Number:	1586570
Services Ordered:	INTERNET ACCESS
SPIN:	143007795
Service Provider Name:	Texas State Technical College - Sweetw
Contract Number:	MTM
Billing Account Number:	N/A
Site Identifier:	196396
Original Funding Commitment:	\$588,846.50
Commitment Adjustment Amount:	\$588,846.50
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$588,846.50
Funds to be Recovered from Applicant:	\$588,846.50

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was discovered that a representative of the service provider, Texas State Technical College-Sweetwater, is also a member of the applicants Board of Directors and participated in Board discussions regarding the bidding process and the selection of the vendor. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant's consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interest and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.



Universal Service Administrative Company

Schools & Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

November 12, 2010

Kevin Shipp

Texas State Technical College - Sweetwater

300 Homer K. Taylor Drive

Sweetwater, TX 79556

Re: SPIN: 143007795
Service Provider Name: Texas State Technical College - Sweetwater

Form 471 Application Number: 569482
Funding Year: 2007

FCC Registration Number:

Applicant Name WEST TEXAS TELECOMMUNICATIONS CONSORTIUM
Billed Entity Number: 196396
Applicant Contact Person: Steve Simoneau

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust the overall funding commitment. The purpose of this letter is to make the required adjustments to the funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. If you wish to appeal the Commitment Adjustment Decision indicated in this letter, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.

2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the

- Billed Entity Name,
- Form 471 Application Number,
- Billed Entity Number, and
- FCC Registration Number (FCC RN) from the top of your letter.

3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.

4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.

5. Provide an authorized signature on your letter of appeal. To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to us by fax, fax your appeal to (973) 599-6542.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to the applicant for informational purposes. If USAC has determined the applicant is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the applicant detailing the necessary applicant action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or the applicant(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Steve Simoneau
WEST TEXAS TELECOMMUNICATIONS CONSORTIUM

Funding Commitment Adjustment Report
Form 471 Application Number: 569482

Funding Request Number:	1586570
Contract Number:	MTM
Services Ordered:	INTERNET ACCESS
Billing Account Number:	N/A
Original Funding Commitment:	\$588,846.50
Commitment Adjustment Amount:	\$588,846.50
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$588,846.50
Funds to be Recovered from Service Provider:	\$588,846.50

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was discovered that a representative of the service provider, Texas State Technical College-Sweetwater, is also a member of the applicants Board of Directors and participated in Board discussions regarding the bidding process and the selection of the vendor. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant's consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interest and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 2

USAC Audit Findings - Number SL2008BE148-F01
WTTC 2007 Internet Service Provider Funding Request 1586570

Report of Independent Certified Public Accountants

West Texas Telecommunications Consortium

SL-2008-148

As of June 30, 2008



Audit • Tax • Advisory

Grant Thornton LLP
201 S College Street, Suite 2500
Charlotte, NC 28244-0100

T 704.632.3500
F 704.334.7701
www.GrantThornton.com

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

West Texas Telecommunications Consortium
Universal Service Administrative Company
Federal Communications Commission:

We have examined West Texas Telecommunications Consortium's (Beneficiary or West Texas Telecommunications Consortium) (Beneficiary Number 196396) compliance with the Federal Communications Commission's (FCC) Title 47 of the Code of Federal Regulations (C.F.R.) Part 54 Rules and Regulations, as amended, and related FCC Orders identified in the accompanying Attachment I related to disbursements of \$702,515 for telecommunication and Internet access services made from the Universal Service Fund during the fiscal year ended June 30, 2008, and relative to its applications and service provider selection processes for Funding Year 2007. Management is responsible for compliance with those requirements. Our responsibility is to express an opinion on West Texas Telecommunications Consortium's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about West Texas Telecommunications Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on West Texas Telecommunications Consortium's compliance with specified requirements. An examination also includes consideration of internal control over compliance requirements as a basis for designing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Texas Telecommunications Consortium's internal control over compliance. Accordingly, we express no such opinion related to the Beneficiary's internal controls.

Our examination disclosed the following material noncompliance with FCC Order 00-167 applicable to West Texas Telecommunications Consortium during the fiscal year ended June 30, 2008. The requirements stipulated by FCC Order 00-167, paragraph 10, were not adhered to regarding service provider involvement in the competitive bidding process. Detailed information relative to this matter is described in Attachment II. The Beneficiary's written response to the material noncompliance identified herein has not been subjected to our examination procedures and, accordingly, we express no opinion on it.

In our opinion, except for the material noncompliance described in the third paragraph, West Texas Telecommunications Consortium complied, in all material respects with the aforementioned requirements relative to disbursements of \$702,515 for telecommunication and Internet access services made from the Universal Service Fund during the fiscal year ended June 30, 2008, and relative to its applications and service provider selection processes for Funding Year 2007.

In accordance with *Government Auditing Standards*, we also noted a material weakness in internal control (see Attachment II, Finding Number SL2008BE148_F01) related to the aforementioned instance of material noncompliance and other internal control matters that we have reported to the management of West Texas Telecommunications Consortium, the Universal Service Administrative Company and the Federal Communications Commission in a separate letter dated July 15, 2009.

This communication is intended solely for the information and use of West Texas Telecommunications Consortium's management, the Universal Service Administrative Company and the Federal Communications Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Grant Thornton LLP

Charlotte, North Carolina
July 15, 2009

**West Texas Telecommunications Consortium
Universal Service Administrative Company
Federal Communications Commission**

Attachment I

**Federal Communications Commission's Title 47 C.F.R. Part 54 Rules and
Regulations and Related FCC Orders with which Compliance was Examined**

Document Retention Matters

§ 54.504 (c)(1)(x), which was effective as of October 13, 2004

§ 54.516 (a)(1), which was effective as of October 13, 2004

Application Matters

§ 54.501 (b), as revised, which was originally effective as of July 17, 1997

§ 54.501 (d)(1), which was effective as of July 17, 1997

§ 54.501 (d)(2), which was effective as of July 17, 1997

§ 54.504 (b)(1), as revised, which was originally effective as of July 17, 1997

§ 54.504 (b)(2), which was effective as of July 17, 1997

§ 54.504 (b)(2)(i), which was effective as of October 13, 2004

§ 54.504 (b)(2)(iii), which was effective as of October 13, 2004

§ 54.504 (b)(2)(iv), which was effective as of October 13, 2004

§ 54.504 (b)(2)(vi), which was effective as of October 13, 2004

§ 54.504 (c), which was effective as of February 12, 1998

§ 54.505 (b)(4), which was effective as of February 12, 1998

§ 54.508 (a), which was effective as of October 13, 2004

§ 54.508 (c), which was effective as of October 13, 2004

§ 54.520 (c)(3)(i), which was effective as of April 20, 2001

FCC Order DA 01-1620, paragraph 9, which was issued on July 11, 2001

**West Texas Telecommunications Consortium
Universal Service Administrative Company
Federal Communications Commission**

Attachment I

**Federal Communications Commission's Title 47 C.F.R. Part 54 Rules and
Regulations and Related FCC Orders with which Compliance was Examined (continued)**

Service Provider Selection Matters

§ 54.504 (a), which was effective as of February 12, 1998

§ 54.504 (b)(4), which was effective as of January 1, 1999

§ 54.511 (a), which was effective as of July 21, 2003

FCC Order 00-167, paragraph 10, which was issued on May 23, 2000

FCC Order 03-313, paragraphs 39 and 56, which was issued on December 8, 2003, and was effective for
Funding Year 2005

Receipt of Services and Reimbursement Matters

§ 54.500 (b), which was effective as of July 21, 2003

§ 54.504, which was effective as of July 17, 1997

§ 54.504 (b)(2)(ii), which was effective as of February 12, 1998

§ 54.504 (b)(2)(v), which was effective as of October 13, 2004

§ 54.504 (c)(1)(vii), which was effective as of October 13, 2004

§ 54.504 (f), which was effective as of March 11, 2004

§ 54.504 (g), which was effective as of March 11, 2004

§ 54.505 (a), which was effective as of July 17, 1997

§ 54.513 (c), which was effective as of March 11, 2004

§ 54.514 (b), as revised, which was originally effective as of July 21, 2003

§ 54.523, which was effective as of March 11, 2004

FCC Order 03-313, paragraph 60, which was issued on December 8, 2003

FCC Order 04-190, paragraph 24, which was issued on August 13, 2004

**West Texas Telecommunications Consortium
Universal Service Administrative Company
Federal Communications Commission**

Attachment II

Detailed Information Relative to Material Noncompliance (Findings)

**(presented in accordance with the standards applicable to attestation engagements
contained in *Government Auditing Standards*)**

Finding No: SL2008BE148_F01

Condition: The Beneficiary's service provider for Internet access services participated in the competitive bidding process. Specifically, a representative of the service provider, Texas State Technical College – Sweetwater (Service Provider Identification Number #143007795), is a member of the Beneficiary's Board of Directors and participated in Board discussions regarding the bidding process.

Criteria: Per FCC Order 00-167, paragraph 10, the Beneficiary shall not surrender control of its competitive bidding process to a service provider that participates in that bidding process and will not include service provider contact information on its FCC Form 470.

Cause: The Beneficiary has a Board member that is employed by the Internet access service provider. The consortium does not have a conflict-of-interest policy or other policy in place such that precludes these types of relationships or involvement.

Effect: The bid selected was the most cost effective bid received by the Beneficiary for Internet access services for Funding Year 2007. However, participation in the selection of a service provider by an individual that works for the vendor could result in a conflict of interest and may result in an unfair bidding process in future years. There was no monetary effect related to this matter which relates to Funding Request Number #1586570.

This condition adversely affects the Beneficiary's ability to comply with the applicable requirements of the Schools and Libraries Support Mechanism in all material respects. Accordingly, we have evaluated this condition as a material weakness in internal control.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects a Beneficiary's ability to comply with the applicable requirements of the FCC's Title 47 C.F.R. § 54.500 through § 54.523, as amended, and related FCC Orders such that there is more than a remote likelihood that a noncompliance with the aforementioned requirements that is more than inconsequential will not be prevented or detected by the Beneficiary's internal controls. A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that material noncompliance with the aforementioned requirements will not be prevented or detected by the Beneficiary's internal controls.

Recommendation: We recommend that the Beneficiary implement a conflict-of-interest policy to preclude vendors from becoming Board members or, alternatively, a policy to

**West Texas Telecommunications Consortium
Universal Service Administrative Company
Federal Communications Commission**

Attachment II

Detailed Information Relative to Material Noncompliance (Findings)

**(presented in accordance with the standards applicable to attestation engagements
contained in *Government Auditing Standards*) (continued)**

exclude such Board members from service provider and competitive bidding discussions during Board meetings.

Beneficiary Response: *The representative of Texas State Technical College – Sweetwater was at the meeting of January 27, 2007 as is stated in the minutes. We feel like if there was any participation by this representative it was in discussion of a bidding process of which the representative's company was not involved. We also feel that the representative was not part of any discussion of which his company was involved and certainly was not allowed to vote on any motion that included his company. We feel that it is important to allay any feeling of impropriety and that a policy should and will be implemented not to allow any member of the Board who may be involved with a bid to be present during any discussion of the bidding process. These discussions can and may be conducted in closed session if the Board of Directors so chooses.*

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007
West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 3

***MasterMind Internet Service, Inc., Federal-State Joint Board on Universal Service, Order,
FCC 00-167, 16 FCC Rcd. 4028 (2000), ¶10.***

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Request for Review)
of Decisions of the)
Universal Service Administrator by)
)
MasterMind Internet Services, Inc.) SPIN-143006149
)
Federal-State Joint Board on Universal Service) CC Docket No. 96-45
)

ORDER

Adopted: May 11, 2000

Released: May 23, 2000

By the Commission:

I. INTRODUCTION

1. The Commission has before it three requests for review filed by MasterMind Internet Services, Inc. (MasterMind),¹ requesting review of decisions issued by the Schools and Libraries Division (SLD) of the Universal Service Administrator (the Administrator or USAC).² The SLD denied funding to certain schools and libraries (Applicants) that requested support for services to be provided by MasterMind, finding that the Applicants and MasterMind violated the Commission's competitive bidding requirements.³ In this Order, the Commission denies in part, and grants in part, MasterMind's requests for review. In upholding, in part, SLD's decision, the Commission protects the integrity of the competitive bidding requirements, thereby ensuring that schools and libraries receive the most cost-effective services.

¹ *Request for Review of the Decision of the Universal Service Administrator by MasterMind Internet Services, Inc.*, CC Docket No. 96-45, CC Docket No. 97-21, Request for Review (filed November 24, 1999) (November 24 Request for Review); *Request for Review of the Decision of the Universal Service Administrator by MasterMind Internet Services, Inc.*, CC Docket No. 96-45, CC Docket No. 97-21, Request for Review (filed December 16, 1999); *Request for Review of the Decision of the Universal Service Administrator by MasterMind Internet Services, Inc.*, CC Docket No. 96-45, CC Docket No. 97-21, Request for Review (filed January 13, 2000). Each appeal raises the same arguments, and we do not distinguish between the three appeals in this Order.

² Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

³ Appendix A contains a list of the schools and libraries and associated applications that are at issue here.

applications.²⁷ That is, MasterMind argues that there is no rule specifically prohibiting a service provider's involvement in the competitive bidding process.²⁸ MasterMind argues that, in any event, fair and open competitive bidding processes occurred, noting that it was not awarded the contract to provide service in every instance in which its employee was the contact person.²⁹

7. MasterMind further argues that SLD was aware of MasterMind's involvement in the competitive bidding processes before any of the disputed Forms 470 were filed and that it was unreasonable for SLD subsequently to deny the applications based on MasterMind's involvement.³⁰ According to MasterMind, it communicated with SLD throughout the application process, but SLD never indicated that MasterMind's actions would result in the denial of requests for support.³¹ MasterMind contends that it was "trapped by a policy that was being considered and developed as MasterMind assisted in the filing of the Form 470 and was applied retroactively to MasterMind."³²

8. Finally, MasterMind requests that, if the Commission determines that MasterMind violated any rule by its activities, the Commission grant a waiver of the rule with respect to the funding requests at issue to avoid needlessly penalizing schools that have been denied funding.³³

III. DISCUSSION

9. For the reasons set forth below, we conclude that, to the extent a MasterMind employee was listed as the contact person on the FCC Form 470 that initiated a competitive bidding process in which MasterMind participated, such Forms 470 were defective and violated our competitive bidding requirements. In the absence of valid Forms 470, the requests for support were properly denied. In those instances, however, where SLD denied requests for support that did not name a service provider as the contact person on the Form 470, we grant MasterMind's requests for review, and remand those applications to SLD for further processing. We also conclude that MasterMind has not demonstrated special circumstances warranting a waiver of our competitive bidding requirements.

A. MasterMind Violated the Commission's Competitive Bidding Requirements

10. We find that an applicant violates the Commission's competitive bidding requirements when it surrenders control of the bidding process to a service provider that participates in that bidding process. In this regard, we reject MasterMind's claim that, even if it engaged in conduct that arguably could have undermined the Applicants' competitive bidding processes, the applications at issue cannot be denied in the absence of a rule explicitly prohibiting such conduct. In the *Universal Service Order*, the Commission concluded that schools and libraries should engage in competitive bidding for all services

²⁷ November 24 Request for Review at 8.

²⁸ November 24 Request for Review at 8.

²⁹ MasterMind Letter at 2-3.

³⁰ MasterMind Letter at 6.

³¹ MasterMind Letter at 6-7.

³² MasterMind Letter at 5.

³³ MasterMind Letter at 5.

for which they seek support, finding that competitive bidding would be the most efficient means for ensuring awareness by schools and libraries of the array of choices available to them and enabling the schools and libraries to choose the best and most efficient provider of the requested services.³⁴ Here, the Applicants named a MasterMind employee as the contact person on their Forms 470 and, in at least some instances, the Applicants permitted MasterMind to prepare and distribute RFPs to potential bidders. In so doing, the Applicants surrendered control of the bidding process to an employee of MasterMind, a service provider that not only participated in the bidding process, but also was awarded the service contracts. The contact person exerts great influence over an applicant's competitive bidding process by controlling the dissemination of information regarding the services requested. We believe that, when an applicant delegates that power to an entity that also will participate in the bidding process as a prospective service provider, the applicant irreparably impairs its ability to hold a fair and open competitive bidding process. For example, other bidders may not receive from the contact person information of the same type and quality that the contact person retains for its own use as a bidder. If a bidder cannot, because it lacks critical information, determine how to best serve the applicant's requirements, the bidder cannot prepare a cost-effective proposal, thereby failing to achieve the intended goals of the competitive bidding process. For these reasons, we conclude that a violation of the Commission's competitive bidding requirements has occurred where a service provider that is listed as the contact person on the Form 470 also participates in the competitive bidding process as a bidder. Accordingly, to the extent the Applicants committed such violations, we find that SLD properly denied their applications.

11. We do not find persuasive MasterMind's claims that, notwithstanding its participation, the bidding processes were open and fair. In support of this claim, MasterMind points to several instances in which its bids were not accepted, despite having its employee listed as the contact person on the associated Form 470. We do not believe that denial of an application is proper only if the service provider in control of the bidding process also was awarded the service contract. We believe that the participation of the contact person in the bidding process may significantly affect the submission of bids by other prospective bidders, thereby undermining the ability of the applicant to obtain the most cost-effective bid.³⁵ For example, a prospective bidder may choose not to participate in a competitive bidding process if it believes that the bidding will not be conducted in an open and fair manner, given that another bidder is serving as the contact person.³⁶ Under such circumstances, we find that a fair and open competitive bidding process has not occurred and the requirement that an applicant make a bona fide request for services has been violated. We conclude, therefore, that denial is appropriate in any instance

³⁴ *Universal Service Order*, 12 FCC Rcd at 9029, para. 480.

³⁵ We disagree with MasterMind that the relationship an applicant might have with a service provider it lists as the contact person on the Form 470 is analogous to the relationship that exists between an applicant and its current service provider. November 24 Request for Review at 10. Even if an incumbent service provider might have a competitive advantage in a bidding process, it does not exert control over the bidding process to the disadvantage of other potential bidders.

³⁶ We also do not agree with MasterMind's argument that the instructions for the Form 470 make clear to prospective bidders that the person signing the form would be the person to consider the bids and negotiate with service providers. MasterMind Letter at 5. There is no reason to assume that service providers would be aware of the instructions for a form that they normally would not complete. Moreover, even if the prospective bidder were aware of the distinction suggested by MasterMind, the appearance of a pre-existing relationship between the competitor/contact person and the applicant would have the same potentially deterrent consequences.

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 4

Affidavit of Former WTTC Director Steve Simoneau

STATE OF TEXAS §
TAYLOR COUNTY §

AFFIDAVIT OF STEVE SIMONEAU

Before me, the undersigned notary, on this day personally appeared Steve Simoneau, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. “My name is Steve Simoneau. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am not a current employee of the West Texas Telecommunications Consortium (“WTTC”) but in 2006 and 2007 I was the Director, and I am familiar with facts and circumstances surrounding the process, bid collection, review and selection of a Service Provider for Internet Services under the E-rate application for the Funding Year 2007.

3. As the WTTC Director in 2006 and 2007, I prepared the bid criteria, prepared and filed the Form 470 on November 7, 2006, was the sole contact listed on the 470, was the only person who received Service Provider bids for Internet Services and was the only person who evaluated those submissions and subsequently made a recommendation to the Board regarding selection of a Service Provider.

4. I have reviewed the minutes of and have personal knowledge of various discussions concerning WTTC membership and E-Rate programs that occurred at WTTC Board Meetings during 2006 and 2007.

5. At a Board meeting held on August 2, 2006, the reference to WTTC fees for 2006-2007 referred to WTTC membership fees which are used to pay salaries and defray the organizations costs.

6. At a Board meeting held on October 4, 2006, the discussion concerning 2007 Form 470s was merely a report that we were awaiting the 2007 letters of agency from the schools before filing 470s.

7. At a Board meeting held on December 6, 2006, the reference to the E-Rate process was merely that bids from the November filings were due by January 18 and therefore a special Board meeting would need to be scheduled for January 24, 2007 to discuss the proposals and my recommendations.

8. At a Board meeting held on January 24, 2007, I presented my recommendations regarding 2007 E-Rate related service bids and the board discussed and voted to select providers. When we got ready to discuss the recommendations and the selection of a Service Provider for Internet Services under the E-rate application for the Funding Year 2007, Larry Wilke, the Board member from TSTC excused himself from the room. It is my recollection that he was not in the room during the discussion or the vote.

9. Two bids had been received in response to the filed 470 for a Service Provider for Internet Services for 68 T-1 Lines at 41 schools under the E-rate application for the Funding Year 2007. One was from TSTC for \$63,700 per month and the other from Trillion for \$110,946 per month. My recommendation based on the wide disparity in cost was to select the more cost effective TSTC proposal. At no time during the process did I discuss the bidding process or the proposals with Larry Wilke or anyone else from TSTC.

10. To the best of my knowledge and belief I participated in no conduct that arguably could have ceded to any vendor control of or otherwise undermined the competitive bidding processes regarding the selection of a Service Provider for Internet Services under the E-rate application for the Funding Year 2007.

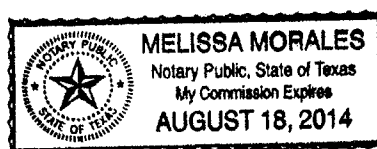
11. Information contained in my attached December 17, 2010 notarized letter are hereby incorporated into this affidavit by reference.

Steve Simoneau
Steve Simoneau

Sworn to and subscribed before me by Steve Simoneau on Jan. 11, 2011.

Melissa Morales
Notary Public in and for
The State of Texas

My commission expires: {date} 8/18/2014



To whom it may concern:

In 1995 the state of Texas initiated the Telecommunications Infrastructure Fund (TIF) program designed to help and promote the expansion of technology infrastructure throughout Texas. The program was set up to assist K-12 schools, higher education institutions, hospitals, libraries, communities, and local government agencies in their acquisition of infrastructure needs.

Dr. Robert Musgrove, Dean of Instruction at Texas State Technical College in Sweetwater, Texas (TSTC), began talks with interested parties on the formation of a consortium of eligible entities that could take advantage of the new TIF program and hopefully secure funding from its grant opportunities. In 1996 the West Texas Telecommunications Consortium (WTTC) was formed. A board of directors was also formed, Dr. Musgrove of TSTC was given the post of director of the consortium, and the offices were set up at TSTC. An administrative member of TSTC took a seat on the Board of Directors and so became one of the founding partners. So as you can see, TSTC has been a part of the consortium and its leadership from the beginning of the consortium's existence.

The first TIF grant was awarded to the consortium in 1996 which set up several K-12 schools with connectivity and supplied the necessary equipment to TSTC so that they could act as the hub of the network and supply Internet access to the other participating members. It was at this time that TSTC became an Internet provider for the west central Texas area. This network continued to add more consortium members and grow over the next few years.

In 1998 Dr. Musgrove left TSTC for another position at a northern institution. That meant the WTTC was in need of a new director. Terry Harlow, Executive Director of the Region 14 Education Service Center in Abilene, Texas, offered to house the offices of the consortium. It was at this time that I was appointed as the Director of the WTTC and the offices of the consortium were moved to the Region 14 property. TSTC continued to supply the members with Internet access. The consortium's Board of Directors remained the same because there was no reason to change its structure. The workings of the Board have remained unchanged up until the present.

When the WTTC applied for funding for the year 2006-2007 TSTC made a proposal to offer Internet access to the K-12 entities of the WTTC. As per the rules of the Schools and Libraries Division (SLD) the director and the board were aware that TSTC could not take part in any discussion of the proposals nor could they participate in any vote that had anything to do with those said proposals.

After waiting the required 28 days after the Form 470 was submitted to Schools and Libraries, I presented the consortium's Board of Directors with the proposals that were made. I informed them that two proposals had been submitted and that we as a group should select the proposal that was the most cost effective for the WTTC as well as the SLD. I informed the board that the monthly cost for the Trillion proposal would be \$110,946 per month while the monthly cost for the TSTC proposal was \$63,700 per month. I also made the board aware of additional equipment and man power support costs that were needed if the Trillion proposal was selected while there would be no additional costs if the TSTC proposal was selected. I also told them of the SLD requirement that they choose the most cost effective option given to them. The board responded that TSTC's proposal seemed the obvious choice to which I agreed. The motion to accept TSTC's proposal was then made and accepted in a vote. At no time did TSTC take part in any of the discussion and TSTC was the abstaining vote referred to in the minutes of the meeting when the vote was taken.

Steve Simoneau

December 17, 2010

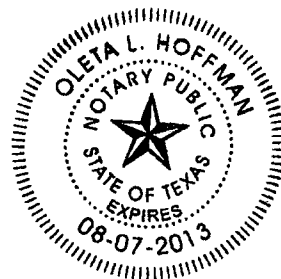
Steve Simoneau
Former WTTC Director

Date

Notarized this 17th day of December, 2010.

Oleta L. Hoffman

Notary Public



Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 5
WTTC 2007 Internet Service Form 470

470 Application Number: 249490000594825 **Retrieved from SLD** **Current status of form:** CERTIFIED
site: 11/17/2006 2:20:55 PM CST

FCC Form

Approval by OMB
3060-0806

470

**Schools and Libraries Universal Service
Description of Services Requested
and Certification Form**

Estimated Average Burden Hours Per Response: 4.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before beginning this application.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

Form 470 Application Number: 249490000594825

Applicant's Form Identifier: wttc470yr10

Application Status: COMPLETE

Posting Date: 11/17/2006

Allowable Contract Date: 12/15/2006

Certification Received Date:

1. Name of Applicant:

WEST TEXAS TELECOMMUNICATIONS CONSORTIUM

2. Funding Year:

07/01/2007 - 06/30/2008

3. Your Entity Number

196396

4a. Applicant's Street Address, P.O.Box, or Route Number

1850 HIGHWAY 351

City

ABILENE

State

TX

Zip Code

79601

b. Telephone number

(325) 675- 8662

c. Fax number

() -

5. Type Of Applicant

- ☒ Individual School (individual public or non-public school)
☐ School District (LEA; public or non-public [e.g., diocesan] local district representing multiple schools)
☐ Library (including library system, library outlet/branch or library consortium as defined under LSTA)
☒ Consortium (intermediate service agencies, states, state networks, special consortia of schools and/or libraries)

6a. Contact Person's Name: Steve Simoneau

First, if the Contact Person's Street Address is the same as in Item 4 above, check this box. If not, please complete the entries for the Street Address below.

6b. Street Address, P.O.Box, or Route Number

1850 HIGHWAY 351

City

State

Zip Code

ABILENE	TX	79601-4750
Check the box next to your preferred mode of contact and provide your contact information. One box MUST be checked and an entry provided.		
<input checked="" type="checkbox"/>	6c. Telephone Number (325) 675- 8662	
<input checked="" type="checkbox"/>	6d. Fax Number (325) 675- 8659	
<input checked="" type="checkbox"/>	6e. E-mail Address ssim@esc14.net	

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):

a. ☒ Tariffed or month-to-month services to be provided without a written contract. A new Form 470 must be filed for non-contracted tariffed or month-to-month services for each funding year.

b. ☒ Services for which a new written contract is sought for the funding year in Item 2.
Check if you are seeking ☒ a multi-year contract and/or ☒ a contract featuring voluntary extensions

c. ☒ A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous funding year.

NOTE: Services that are covered by a signed, written contract executed pursuant to posting of a Form 470 in a previous funding year OR a contract signed on/before 7/10/97 and previously reported on a Form 470 as an existing contract do NOT require filing of a new Form 470.

What kinds of service are you seeking: Telecommunications Services, Internet Access, Internal Connections Other than Basic Maintenance, or Basic Maintenance of Internal Connections? Refer to the Eligible Services List at www.sl.universalservice.org for examples. Check the relevant category or categories (8, 9, 10 and/or 11 below), and answer the questions in each category you select.

8 ☒ Telecommunications Services
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a ☒ YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at at or via (check one):
☒ the Contact Person in Item 6 or ☒ the contact listed in Item 12.

b ☒ NO , I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c <input checked="" type="checkbox"/> Check this box if you prefer discounts on your bill.	<input checked="" type="checkbox"/> Check this box if you prefer reimbursement after paying your bill in full.	<input checked="" type="checkbox"/> Check this box if you do not have a preference.
--	--	---

9 ☒ Internet Access
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check

YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a ☒ **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

☒ the Contact Person in Item 6 or ☐ the contact listed in Item 12.

b ☒ **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c ☒ Check this box if you prefer discounts on your bill.

☒ Check this box if you prefer reimbursement after paying your bill in full.

☒ Check this box if you do not have a preference.

Service or Function:

Monthly Internet Service

Quantity and/or Capacity:

68 T1 Circuits for 41 school districts

10 ☒ Internal Connections Other than Basic Maintenance

Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a ☒ **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

☒ the Contact Person in Item 6 or ☐ the contact listed in Item 12.

b ☒ **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., a router, hub and cabling) and quantity and/or capacity (e.g., connecting 1 classroom of 30 students). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c ☒ Check this box if you prefer discounts on your bill.

☒ Check this box if you prefer reimbursement after paying your bill in full.

☒ Check this box if you do not have a preference.

11 ☒ Basic Maintenance of Internal Connections

Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have and RFP, you risk denial of your funding requests.

a ☒ **YES**, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):

☒ the Contact Person in Item 6 or ☐ the contact listed in Item 12.

b ☒ **NO**, I have not released and do not intend to release an RFP for these services.

Whether you check YES or NO, you must list below the Basic Maintenance Services you seek. Specify each service or function (e.g., basic maintenance of routers) and quantity and/or capacity (e.g., for 10 routers). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.

c ☒ **Check this box if you prefer discounts on your bill.** ☒ **Check this box if you prefer reimbursement after paying your bill in full.** ☒ **Check this box if you do not have a preference.**

12 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the Authorized Person who signs this form.

Name:
Steve Simoneau

Title:
Wide Area Network Director

Telephone number
(325) 675 - 8662

Fax number
(325) 675 - 8659

E-mail Address
ssim@esc14.net

13a. ☒ **Check this box if there are any restrictions imposed by state or local laws or regulations on how or when service providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or a Web address where they are posted and provide a contact name and telephone number.**

The consortium must abide by all the policies and laws of the state of Texas

☒ **Check this box if no state and local procurement/competitive bidding requirements apply to the procurement of services sought on this Form 470.**

13b. **If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, you may summarize below (including the likely timeframes). If you are requesting services for a funding year for which a Form 470 cannot yet be filed online, include that information here.**

Block 3: Technology Resources

14. ☒ **Basic telephone service only:** If your application is for basic telephone service and voice mail only, check this box and skip to Item 16. Basic telephone service is defined as wireline or wireless single line voice service (local, cellular/PCS, and/or long distance) and mandatory fees associated with such service (e.g., federal and state taxes and universal service fees).

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop software: Software required ☒ has been purchased; and/or ☒ is being sought.

b. Electrical systems: ☒ adequate electrical capacity is in place or has already been arranged; and/or ☒ upgrading for additional electrical capacity is being sought.

- c. Computers: a sufficient quantity of computers ☒ has been purchased; and/or ☐ is being sought:
- d. Computer hardware maintenance: adequate arrangements ☒ have been made; and/or ☐ are being sought.
- e. Staff development: ☒ all staff have had an appropriate level of training /additional training has already been scheduled; and/or ☐ training is being sought.
- f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.
Service should include circuits and Internet access together. Service should include a minimum of DS3 bandwidth from the network hub to the Internet.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Services:

Check the ONE choice (Item 16a, 16b or 16c) that best describes this application and the eligible entities that will receive the services described in this application. You will then list in Item 17 the entity/entities that will pay the bills for these services.

a. ☒ Individual school or single-site library.

b. ☒ Statewide application for (enter 2-letter state code) representing (check all that apply):

- ☒ All public schools/districts in the state:
☐ All non-public schools in the state:
☐ All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. ☐ If checked, complete Item 18.

c. ☒ School district, library system, or consortium application to serve multiple eligible entities:

Number of eligible sites	41
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
254	442, 559, 631, 643, 647, 725, 734, 842, 893
325	228, 235, 282, 356, 529, 537, 554, 573, 576, 644,
940	743, 864, 989, 997

17. Billed Entities

17. Billed Entities: List the entity/entities that will be paying the bills directly to the provider for the services

requested in this application. These are known as Billed Entities. At least one line of this item must be completed. If a Billed Entity cited on your Form 471 is not listed below, funding may be denied for the funding requests associated with this Form 470.

Entity	Entity Number
BRECKENRIDGE I.S.D.	140993
ALBANY INDEP SCHOOL DISTRICT	140998
CISCO INDEP SCHOOL DISTRICT	141004
COMANCHE INDEP SCHOOL DISTRICT	141007
CROSS PLAINS INDEP SCHOOL DIST	141009
DE LEON INDEP SCHOOL DISTRICT	141010
EASTLAND INDEP SCHOOL DISTRICT	141014
GORMAN INDEP SCHOOL DISTRICT	141020
GUSTINE INDEP SCHOOL DISTRICT	141022
MORAN INDEP SCHOOL DISTRICT	141028
RANGER INDEP SCHOOL DISTRICT	141030
SIDNEY INDEP SCHOOL DISTRICT	141033
ANSON INDEP SCHOOL DISTRICT	141992
ASPERMONT INDEP SCHOOL DIST	141993
BAIRD INDEP SCHOOL DISTRICT	141996
BLACKWELL CONS INDEP SCH DIST	141998
CLYDE CONSOL INDEP SCHOOL DIST	141999
EULA INDEP SCHOOL DISTRICT	142001
COLORADO INDEP SCHOOL DISTRICT	142003
HAMLIN INDEP SCHOOL DISTRICT	142005
HASKELL INDEP SCHOOL DISTRICT	142007
PAINT CREEK INDEP SCHOOL DIST	142008
HAWLEY INDEP SCHOOL DISTRICT	142009
HERMLEIGH INDEP SCHOOL DIST	142010
IRA INDEP SCHOOL DISTRICT	142011
LORAIN INDEP SCHOOL DISTRICT	142015
LUEDERS-AVOCA INDEP SCH DIST	142016
MERKEL INDEP SCHOOL DISTRICT	142017
ROBY CONS INDEP SCHOOL DIST	142019
ROSCOE INDEP SCHOOL DISTRICT	142021
HIGHLAND INDEP SCHOOL DISTRICT	142022
ROTAN INDEP SCHOOL DISTRICT	142024
RULE INDEP SCHOOL DISTRICT	142025
SNYDER INDEP SCHOOL DISTRICT	142027
STAMFORD INDEP SCHOOL DISTRICT	142029
SWEETWATER INDEP SCHOOL DIST	142031
TRENT INDEP SCHOOL DISTRICT	142032

JIM NED CONS INDEP SCHOOL DIST	142033
WESTBROOK INDEP SCHOOL DIST	142034
WYLIE INDEP SCHOOL DISTRICT	142042
RISEING STAR INDEPENDENT SCHOOL DISTRICT	229974

18. Ineligible Participating Entities

List the names of any entity/entities here for whom services are requested that are not eligible for the Universal Service Program.

Ineligible Participating Entity	Area Code	Prefix
---------------------------------	-----------	--------

Block 5: Certification and Signature**19. ☒ I certify that the applicant includes:(Check one or both.)**

- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C.Secs.7081(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☒ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to elementary and secondary schools, colleges and universities).

20. ☒ I certify that all of the individual schools, libraries, and library consortia receiving services under this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, an SLD-certified technology plan approver, prior to the commencement of service. The plans were written at the following level(s):

- a. ☒ individual technology plans for using the services requested in the application, and/or
- b. ☒ higher-level technology plans for using the services requested in the application, or
- c. ☒ no technology plan needed; application requests basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only

21. ☒ I certify that I will post my Form 470 and (if applicable) make my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted will be carefully considered and the bid selected will be for the most cost-effective service or equipment offering, with price being the primary factor, and will be the most cost-effective means of meeting educational needs and technology plan goals. I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the status and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and libraries discounts. I acknowledge that I may be audited pursuant to participation in the schools and libraries program.

22. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the entity or entities listed on this application have not received anything of value or a promise of anything of value, other than the services and equipment sought by means of this form, from the service provider, or any representative or agent thereof or any consultant in connection with this request for services.

23. ☒ I acknowledge that support under this support mechanism is conditional upon the school(s) and/or library(ies) I represent securing access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support.

24. ☒ I certify that I am authorized to order telecommunications and other supported services for the eligible entity(ies). I certify that I am authorized to submit this request on behalf of the eligible entity(ies) listed on this application, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. ☒ I certify that I have reviewed all applicable state and local procurement/competitive bidding requirements and that I have complied with them. I acknowledge that persons willfully making false statements on this form can be punished by fine or forfeiture, under the Commissions Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

26. ☒ I acknowledge that FCC rules provide that persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the schools and libraries support mechanism are subject to suspension and debarment from the program.

27. Signature of authorized person: ☐

28. Date (mm/dd/yyyy):

29. Printed name of authorized person: **Steve Simoneau**

30. Title or position of authorized person: **Wide Area Network Director**

31a. Address of authorized person: **1850 Highway 351**
City: **Abilene** State: **TX** Zip: **79601-4750**

31b. Telephone number of authorized person: **(325) 675 - 8662**

31c. Fax number of authorized person: **(325) 6758659**

31d. E-mail address number of authorized person: **ssim@esc14.net**

31e. Name of authorized person's employer: **Region 14 ESC**

Service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests. For more information, refer to the SLD web site at www.sl.universalservice.org or call the Client Service Bureau at 1-888-203-8100.

NOTICE: Section 54.504 of the Federal Communications Commission's rules requires all schools and libraries ordering services that are eligible for and seeking universal service discounts to file this Description of Services Requested and Certification Form (FCC Form 470) with the Universal Service Administrator. 47 C.F.R. § 54.504. The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended. 47 U.S.C. § 254. The data in the report will be used to ensure that schools and libraries comply with the competitive bidding requirement contained in 47 C.F.R. § 54.504. All schools and libraries planning to order services eligible for universal service

discounts must file this form themselves or as part of a consortium.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information you provide to determine whether approving this application is in the public interest. If we believe there may be a violation or a potential violation of any applicable statute, regulation, rule or order, your application may be referred to the Federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation or order. In certain cases, the information in your application may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party of a proceeding before the body or has an interest in the proceeding. In addition, information provided in or submitted with this form or in response to subsequent inquiries may also be subject to disclosure consistent with the Communications Act of 1934, FCC regulations, the Freedom of Information Act, 5 U.S.C. § 552, or other applicable law.

If you owe a past due debt to the federal government, the information you provide may also be disclosed to the Department of the Treasury Financial Management Service, other Federal agencies and/or your employer to offset your salary, IRS tax refund or other payments to collect that debt. The FCC may also provide the information to these agencies through the matching of computer records when authorized.

If you do not provide the information we request on the form, the FCC may delay processing of your application or may return your application without action.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501, et seq.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, DC 20554.

Please submit this form to:

**SLD-Form 470
P.O. Box 7026
Lawrence, Kansas 66044-7026
1-888-203-8100**

For express delivery services or U.S. Postal Service, Return Receipt Requested, mail this form to:

**SLD Forms
ATTN: SLD Form 470
3833 Greenway Drive
Lawrence, Kansas 66046
1-888-203-8100**

FCC Form 470
November 2004

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 6

Affidavit of former WTTC Board Member Larry Wilke

STATE OF TEXAS §
NOLAN COUNTY §

AFFIDAVIT OF LARRY WILKE

Before me, the undersigned notary, on this day personally appeared Larry Wilke, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. “My name is Larry Wilke. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am, and have been an employee of Texas State Technical College (“TSTC”) since 1989, and currently hold the Title of Director of Special Projects, but in 2006 and 2007 held the title of Director of Network and Telecommunication Services.

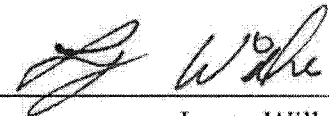
3. I am not a current member of the Board of Directors for the West Texas Telecommunications Consortium (“WTTC”) but was listed as a member of this Board on January 24, 2007.

4. I was present at the meeting of the WTTC Board held on January 24, 2007, but excused myself from the discussions and vote on the selection of Service Provider for Internet Services under the E-rate application for the Funding Year 2007. The minutes of that meeting noted my abstention from that vote.

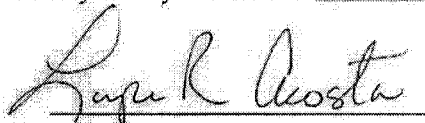
5. I did not participate in creating the requirements for Service Provider bids, did not engage in discussions with WTTC staff or board members regarding the bid process, and had no knowledge prior to the conclusion of the Board vote of other Service Provider bids for Internet Services that had been submitted for the 2007 funding year.

6. To the best of my knowledge, Steve Simoneau, the WTTC Director, is the only person who received Service Provider bids for Internet Services and is the only person who evaluated those submissions and, subsequently made a recommendation to the Board regarding selection of a Service Provider.”

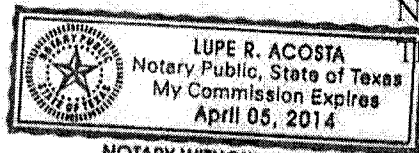
7. To the best of my knowledge and belief I participated in no conduct that arguably could have undermined the competitive bidding processes regarding the selection of a Service Provider for Internet Services under the E-rate application for the Funding Year 2007.


Larry Wilke

Sworn to and subscribed before me by Larry Wilke on 1-10, 2011.



Notary Public in and for
the State of Texas



NOTARY WITHOUT BOND

My commission expires: {date} April 5, 2014

[Faint, illegible text at the top of the page]

[Handwritten marks or signatures]

11-15-1

NOTARY PUBLIC STATE OF TEXAS
LUPE R. ACOSTA
My Commission Expires April 02, 2014



NOTARY WITHOUT BOND

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007
West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

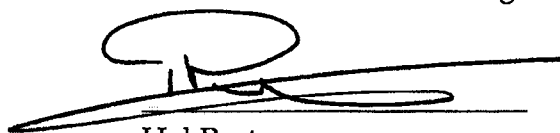
EXHIBIT 7
Affidavit of 2007 WTTC Board Chair Hal Porter

STATE OF TEXAS §
TAYLOR COUNTY §

AFFIDAVIT OF George H. (Hal) Porter

Before me, the undersigned notary, on this day personally appeared Hal Porter, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. "My name is Hal Porter. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am a past member of the Board of Directors for the West Texas Telecommunications Consortium ("WTTC") and was a member of this Board on January 24, 2007.
3. I was present at the meeting of the WTTC Board held on January 24, 2007, and participated in the vote to approve Texas State Technical College ("TSTC") as the Service Provider for Internet Services under the E-rate application for the Funding Year 2007.
4. The minutes of the WTTC Board meeting held on January 24, 2007, indicate that 'one member abstained' from the vote approving the Service Provider and the E-rate application for Funding Year 2007.
5. The WTTC Board member abstaining from the vote on January 24, 2007, was the member representing TSTC.
6. The member of the WTTC Board representing TSTC routinely excused himself from the room at any time the Board was discussing or voting on matters related to standards for and selection of an Internet Services Provider for the WTTC members for the Funding Year 2007 for E-rate.
7. Steve Simoneau, the WTTC Director, is the only person who received Service Provider bids for Internet Services and is the only person who evaluated those submissions and, subsequently, made a recommendation to the Board regarding selection of a Service Provider."

A handwritten signature in black ink, appearing to be 'H. Porter', written over a horizontal line.

Hal Porter

Sworn to and subscribed before me by Hal Porter on 12 - 13, 2010.



A handwritten signature in cursive script that reads "Terri Lynn Hanlon".

Notary Public in and for
The State of Texas

My commission expires: {date}

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 8

Affidavit of 2007 WTTC Board Member Roger Huber

STATE OF TEXAS §
TAYLOR COUNTY §

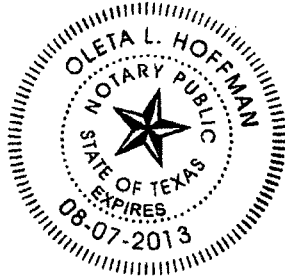
AFFIDAVIT OF Roger Huber

Before me, the undersigned notary, on this day personally appeared Roger Huber, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. "My name is Roger Huber. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am a past member of the Board of Directors for the West Texas Telecommunications Consortium ("WTTC") and was a member of this Board on January 24, 2007.
3. I was present at the meeting of the WTTC Board held on January 24, 2007, and participated in the vote to approve Texas State Technical College ("TSTC") as the Service Provider for Internet Services under the E-rate application for the Funding Year 2007.
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6. The member of the WTTC Board representing TSTC routinely excused himself from the room at any time the Board was discussing or voting on matters related to standards for and selection of an Internet Services Provider for the WTTC members for the Funding Year 2007 for E-rate.
7. Steve Simoneau, the WTTC Director, is the only person who received Service Provider bids for Internet Services and is the only person who evaluated those submissions and, subsequently, made a recommendation to the Board regarding selection of a Service Provider."


Roger Huber

Sworn to and subscribed before me by Roger Huber on 12-13, 2010.



Oleta L. Hoffman
Notary Public in and for
The State of Texas

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 9

Affidavit of 2007 WTTC Board Member Todd Burleson

STATE OF TEXAS §
TAYLOR COUNTY §

AFFIDAVIT OF MR. TODD BURLESON

Before me, the undersigned notary, on this day personally appeared Mr. Todd Burleson, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. "My name is Todd Burleson. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am a past and current member of the Board of Directors for the West Texas Telecommunications Consortium ("WTTC") and was a member of this Board on January 24, 2007.


3. I was present at the meeting of the WTTC Board held on January 24, 2007, and participated in the vote to approve Texas State Technical College ("TSTC") as the Service Provider for Internet Services under the E-rate application for the Funding Year 2007.

4. The minutes of the WTTC Board meeting held on January 24, 2007, indicate that 'one member abstained' from the vote approving the Service Provider and the E-rate application for Funding Year 2007.

5. The WTTC Board member abstaining from the vote on January 24, 2007, was the member representing TSTC.

6. The member of the WTTC Board representing TSTC routinely excused himself from the room at any time the Board was discussing or voting on matters related to standards for and selection of an Internet Services Provider for the WTTC members for the Funding Year 2007 for E-rate.

7. Steve Simoneau, the WTTC Director, is the only person who received Service Provider bids for Internet Services and is the only person who evaluated those submissions and, subsequently, made a recommendation to the Board regarding selection of a Service Provider."


Mr. Todd Burleson

Sworn to and subscribed before me by Mr. Todd Burleson on Dec. 13, 2010.



Teresa Matlock
Notary Public in and for
The State of Texas

My commission expires: 2/22/2012

Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007

West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 10

Affidavit of 2007 WTTC Board Member Donald W. Hughes

STATE OF TEXAS §
TAYLOR COUNTY §

Donald W. Hughes
AFFIDAVIT OF ~~{NAME OF AFFIANT}~~

Before me, the undersigned notary, on this day personally appeared ^{Donald W. Hughes} {name of affiant}, the affiant, a person whose identity is known to me. After I administered an oath to affiant, affiant testified:

1. "My name is ^{Donald W. Hughes} {name of affiant}. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am a past member of the Board of Directors for the West Texas Telecommunications Consortium ("WTTC") and was a member of this Board on January 24, 2007.

3. I was present at the meeting of the WTTC Board held on January 24, 2007, and participated in the vote to approve Texas State Technical College ("TSTC") as the Service Provider for Internet Services under the E-rate application for the Funding Year 2007.

4. The minutes of the WTTC Board meeting held on January 24, 2007, indicate that 'one member abstained' from the vote approving the Service Provider and the E-rate application for Funding Year 2007.

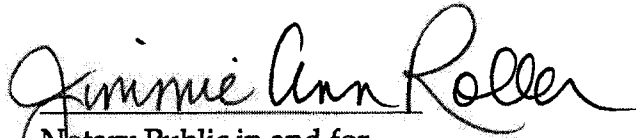
5. The WTTC Board member abstaining from the vote on January 24, 2007, was the member representing TSTC.

6. The member of the WTTC Board representing TSTC routinely excused himself from the room at any time the Board was discussing or voting on matters related to standards for and selection of an Internet Services Provider for the WTTC members for the Funding Year 2007 for E-rate.

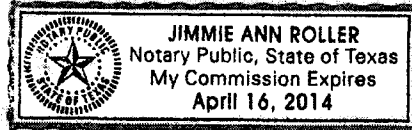
7. Steve Simoneau, the WTTC Director, is the only person who received Service Provider bids for Internet Services and is the only person who evaluated those submissions and, subsequently, made a recommendation to the Board regarding selection of a Service Provider."

Donald W. Hughes
{Name of affiant}

Donald W. Hughes
Sworn to and subscribed before me by {name of affiant} on 12-14, 2010.

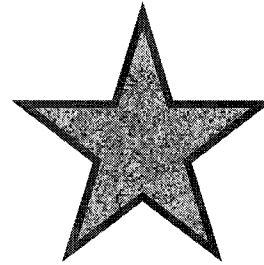
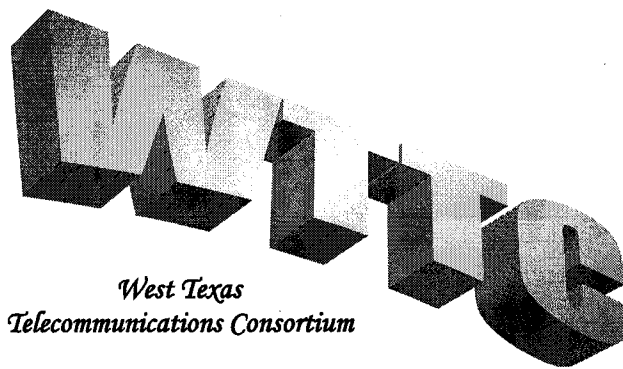

Notary Public in and for
The State of Texas

My commission expires: {date} April 16, 2014



Joint Appeal of USAC Notification of Commitment Adjustment Letter
For Funding Year 2007
West Texas Telecommunications Consortium
Texas State Technical College – Sweetwater

EXHIBIT 11
WEST TEXAS TELECOMMUNICATIONS CONSORTIUM
ORGANIZATION CONTRACT
(Prohibiting Vendors from Sitting on the WTTC Board)



WEST TEXAS TELECOMMUNICATIONS CONSORTIUM

ORGANIZATION CONTRACT

Effective as of the _____ day of _____, 201_, The undersigned Public Independent School Districts (the "ISDs"), Public Community College Districts and Public and Private Universities ("Higher Education"), Counties and Municipalities (the "Local Governments"), Local Governments on behalf of Public Libraries (the "Public Libraries"), Public Hospital Districts (the "Hospitals"), and other governmental agencies of the State of Texas, and regional offices of other governmental agencies of the State of Texas (the "Governing Agencies"), and representatives of the public sector (the "Public Entities"), all collectively referred to as the "Parties", entered into the following Agreement:

ARTICLE ONE

ORGANIZATION, POWERS AND DUTIES

1.01 **NAME:** The name of the administrative agency created by this Agreement is the "West Texas Telecommunications Consortium", referred to in this Agreement as "WTTTC".

1.02 **MISSION:** The administrative agency, WTTTC, is a consortium of governmental and public and private ~~nonprofit~~ institutions, entities and organizations formed to plan, coordinate and facilitate the cooperative development and operation of a regional integrated telecommunications network (the "Network"), to enable Members to better serve the population of the West Central Texas area of the State of Texas, to further the mission of its respective Members, to contribute to improved student learning and the overall educational and economic development of the region (the "Mission").

1.03 **AUTHORITY:** The governmental and public nonprofit Parties enter into this Agreement pursuant to the Interlocal Cooperation Act, Government Code, Section 791.001, et seq, of the Texas Revised Civil Statutes, as amended (the "Gov. Code" or the "Act"). The Act authorizes, and the Parties agree, that they can cooperatively provide and achieve governmental functions and services by coordinating their efforts through this Interlocal Contract, thereby avoiding duplication of expenses, conserving and coordinating the use of public funds, and making the Network available to the entire West Central Texas area of the state of Texas. Additionally and independently of the Act, the private nonprofit Parties and the governmental and public nonprofit Parties enter into this Agreement with one another for their mutual benefit and interest in promoting and achieving the applicable purposes and Mission of the Agreement.

1.04 **GOVERNMENTAL NEEDS:** The governmental and private entities which are Parties to this Agreement and their public and private constituents need high quality telecommunications transmission capability to interconnect their facilities to provide enhanced services to their employees, students and to

the public for education, video conferencing, information and data access and transferal, and other services that may be available through the Network. The Parties agree that there are valid governmental and for the nongovernmental Parties, other vital educational and technological purposes, served by implementing and operating the Network.

1.05 **POWERS OF THE AGENCY:** In addition to, and not in derogation of any power granted by statute, or otherwise, WTTC shall have the following powers to:

- a. Employ personnel, perform administrative and fiscal activities, enter into and enforce contracts in its own name, purchase goods and services and provide administrative services, all as necessary or appropriate to perform the Mission of WTTC;
- b. Designate, contract with or otherwise secure the services of, one or more local governments, for profit vendors, or private institutions to perform any or all of the services which WTTC could perform or which are necessary or appropriate to further the Mission of WTTC;
- c. Apply for and receive grants and other funding from governmental and private sources on the same basis as other "local governmental entities" as defined in Government Code Subsections 791.003.(4), (A) and (B);
- d. Oversee implementation of, and manage the Network; and
- e. Perform such other duties and exercise such other powers as may be necessary or appropriate to further the Mission of WTTC.

ARTICLE TWO

MEMBERS

2.01 **MEMBERS:** WTTC will have Members, which will initially be those Parties signatory to the Agreement. Members must be local governmental entities as defined in Gov. Code Subsections 791.003.(4), (A) and (B) or private institutions of higher education. Additional Members may be added, on such terms and conditions as the Board of Directors may deem appropriate. New Members shall become parties to this Agreement by execution of an Addendum to this Agreement.

2.02 **CLASSES OF MEMBERS:**

- a. Members shall be divided into Classes, determined by which group of governmental or private nonprofit entity a Member belongs. The Classes of Membership shall initially consist of the following:

ISDs
Higher Education
Local Governments
Public Libraries
Hospitals
Governmental Agencies
Public Entities
Other Consortia

- b. Subject to member approval, the Board of Directors may add additional Classes of Members as it may deem appropriate and may add a Class of Affiliate members composed of Network users that are not eligible for full Membership. Affiliate Members shall be entitled to voice, but not entitled to vote, on any matter.
- c. A Member may belong to only one Class of Membership at any time; provided however, that counties and municipalities may join as "Local Governments" or as "Public

Libraries,” or both, upon payment of dues and assessments applicable to each Class of Membership, and shall be entitled to exercise full powers of the Class or Classes of Membership joined. Upon acceptance of an entity’s request for admission to Membership, if the applicant has not requested Membership in a particular Class, the Board of Directors shall assign that entity to the Class of Membership that it determines appropriate. With the approval of the Board of Directors, and in extraordinary circumstances, a Member may change from one Class of Membership to another.

- d. Membership interests are transferable only with the prior written consent of, and upon the terms and conditions set by the Board of Directors.

2.03 VOTING BY MEMBERS:

- a. Members shall be entitled to one vote on each matter submitted by the Board of Directors to a vote of the members, and of those matters requiring approval of the members, as set out in Article Three, Section 3.01 of this Agreement. A Member’s one vote shall be cast by the person serving in the highest executive and administrative position in a particular governmental or private entity (i.e., the superintendent in an ISD, the president of a college or university or the executive director of an organization), collectively referred to as the “Chief Administrative Officer” in this Agreement. The Chief Administrative Officer of a Member may vote by proxy.
- b. Initially, and until the Members determine a different method, a majority of the members shall represent a quorum and a majority of those Members present at a meeting at which a quorum is present shall be the act to determine the outcome of any matter on which a vote is taken. Action shall be taken by the members of all Classes as a whole. If a class decides to use a different method of taking action, it will notify the Board of Directors and all the Members of that Class.
- c. Meetings of any Class of Members may be called by any of the Directors representing that Class or by ten percent (10%) of the Members of that Class.
- d. Subject to the provisions required or permitted by this Agreement for notice of meetings, Members may participate in and hold meetings of Members by means of conference telephone, video conference or other electronic means by which all persons participating in a meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence of a person at such meeting.

2.04 ENTITLEMENT TO FUNDING:

- a. Status as a Member shall not by itself entitle a Party or Member to share, pro-rata, or otherwise, in any equipment, grants or other funding secured by WTTC. The Parties recognize that some equipment, grants or funding may be specific to a particular area or group of entities, and those other entities outside that area, who are not otherwise included in the group of entities specified, may not participate in or otherwise receive any portion of the equipment or funding, even though the application for the funding is WTTC. The Members recognize that WTTC’s Board of Directors will be bound by the terms of particular grants, and that Members may receive funds received by grant only in compliance with the terms and conditions of the particular grant.
- b. Subject to subsection 2.04 (a), distributions of equipment and funds will be at the discretion of the Board of Directors; provided, however, that Members will, except in extraordinary circumstances, be preferred over Affiliate members and Non-Members in any distribution of equipment or funds, and in provision of, or access to, Network services.

2.05 DUES, ASSESSMENTS AND FEES:

- a. The members shall pay annual dues, which annual dues shall initially be \$250.00 per Member for the fiscal year beginning September 1, 2001. In its discretion, the Board of Directors may vary the amounts of dues to be paid, both as among Members and among Classes of Members, with such variances being based on various factors, including, but not limited to, relative size of a particular member, geographic locations, ability to pay and other factors that may cause the Board to vary the amounts of dues.
- b. The Board of Directors may recommend, from time-to-time, a levy for unforeseen fixed and variable operating and capital costs of the network. The recommendation is subject to Member approval before the levy can be assessed on the membership.
- c. The fees paid by Members for use of the Network shall be lower than the fees paid by Affiliate Members and Non-Members, taking into consideration that Members are paying dues and any assessments.

2.06 TERMINATION OF MEMBERSHIP: Membership privileges may be terminated in three ways:

- a. Non-payment of dues or assessments, which will automatically terminate an entity's status as Member ninety (90) days after the date on which the dues or assessments are payable unless the Board of Directors decide to delay the effective date of termination for compelling reasons;
- b. A decision by not less than an 80% vote of the Board of Directors that a particular entity's continued Membership is not in the best interest of WTTC; and
- c. An affirmative action by a Member to withdraw, which withdrawal shall be effective 90 DAYS subsequent to the date of the notice of termination.

2.07 EFFECT OF TERMINATION OF MEMBERSHIP: Members may receive equipment (hardware or software) through the WTTC as part of a grant application made by the consortium. Acquisition and ownership of such equipment will be subject to conditions contained in a contract between the WTTC and the Member which, in turn, may be contingent upon the terms of the grant obtained by the WTTC. Upon termination of an entity's Membership in WTTC, the Member shall within thirty (30) days after the effective date of termination, either return the equipment, hardware and software (the "Equipment") acquired from or through WTTC, or pay WTTC the reasonable replacement value of such Equipment depending on the terms and subject to such conditions as may be contained in the aforementioned contract with the WTTC by which the Member received the Equipment. The Member agrees to grant reasonable access to WTTC personnel to remove Equipment, or to disconnect Member from the Network. Upon termination of Membership, all connections with the WTTC shall, at the discretion of the Board of Directors of WTTC, be severed. Termination shall not relieve the Member of WTTC of any liability to the other which arose or was incurred prior to the effective date of the termination of Membership.

2.08 LOCAL CONTROL: Notwithstanding any other provision of this Agreement, each Member shall retain sole control of buildings owned by it and the Member shall be the final decision-maker with respect to:

- a. scheduling and content of programs accessed through the Network in its buildings;
- b. which entities and persons may use its buildings and when they or any of them will have access;
- c. which entities or persons will have access and when they or any of them will have access to the Network through facilities located in the Member's buildings;

provided, however, that for purposes of carrying out the Mission of WTTC, such as hardware and software installation, maintenance and repair to assure performance of the Network, or to remove or disconnect Equipment upon termination of Membership, WTTC personnel shall, upon reasonable notice, have access at reasonable times, for reasonable periods, to the buildings owned by Members.

ARTICLE THREE

DIRECTORS

3.01 **GOVERNANCE:** The affairs of WTTC shall be managed by its Board of Directors and its wide area network (WAN) administrator; provided, however, that the affirmative action of the Classes of Membership as a whole shall be necessary to effectuate each of the following matters:

- a. Creating of a new Class of Membership or Affiliate Membership;
- b. Increasing or decreasing the size of the Board of Directors;
- c. Increasing the dues of Members or Classes by more than twenty (20%) percent in any fiscal year;
- d. Levying any financial assessment against Members;
- e. Amending this Agreement or any Bylaws of WTTC; and
- f. Dissolving WTTC.

3.02 **DUTIES:** The Board of Directors shall have the duty to establish and implement the Network, which shall include, but not be limited to the following duties:

- a. Promote the exchange of services and information within the Network area;
- b. To the extent practicable, provide equitable access to the Network for communities in the Network area;
- c. Provide expertise to the Network Members;
- d. Assure Network reliability and ease of use;
- e. Facilitate cooperative resource sharing;
- f. Facilitate the development of programs and services responsive to the needs of the Network area;
- g. Assure the design of a Network which complies with current and projected industry standards and set specifications for both hardware and software that Members may use on, or in connection with, the Network;
- h. Provide end-user training and support and Network coordination and management;
- i. Maintain reasonable, quality service which is, to the extent practicable, economically sustainable for all members;
- j. Promote regular communications and cooperation among Members;
- k. Seek sources of funding for Network activities, apply for grants available to WTTC by virtue of its management of the Network, or otherwise, and coordinate any grant applications made by the Membership for expansion or improvement of the Network;
- l. Allocate any financial support and equipment obtained, including any grants obtained through WTTC in accordance with the terms of the grants;
- m. Identify common needs and problems and define innovative solutions;
- n. Establish procedures regarding maintenance projects so as to minimize disruption of use of the Network;

- o. Establish reasonable Network policies and procedures to ensure secure, efficient and continuous service to the members and set standards against which such services may be measured;
- p. Determine fees for use of the network by Members, Affiliate Members and Non-Members;
- q. Determine when, whether and the amounts of any assessments of Members (keeping in mind that assessments need not be uniform, pro-rata, or even cover all Members but can take into account various factors including, but not limited to, relative sizes of Members and the need for matching funds at particular locations);
- r. Prepare annual operating and capital budgets for the upcoming three year period; and
- s. Perform such other duties, and exercise such other powers as may be deemed by the Board to be necessary or appropriate to carry out the Mission and purposes of this Agreement.

3.03 **NUMBER:** The number of Directors shall be not less than three (3) or more than thirty (30). Within this range of numbers, the Board of Directors shall establish by resolution, from time-to-time, the number of persons who will compose the Board of Directors.

3.04 **ELECTION OF DIRECTORS:**

- a. Those Directors representing the respective Classes of Membership shall be elected by the Members of each Class of Membership as terms expire or vacancies occur within that Class.
- b. In addition to the Directors representing the various Classes of Members, the Board of Directors may elect up to three members of the public (the "Public" Directors).
- c. Notwithstanding any other provision of this Agreement, the Directors representing the ISD Class of Members shall always represent fifty percent (50%) of the total Board of Directors. In determining this fifty percent (50%) Board representation, Region 14 Education Service Centers shall be counted as representing the Government Agency Class of Members. The Board of Directors shall declare vacancies and new Directors shall be elected or the Board shall seek the resignation or removal of Directors as necessary with respect to the representatives of any Class of Membership required to attain and maintain this fifty percent (50%) level of representation.
- d. The initial Board of Directors shall be composed of NO MORE THAN the following number of Directors as set-forth below:

Number of Directors	
ISDs.....	12
Higher Education.....	04
Local Governments.....	01
Public Libraries.....	01
Hospitals.....	01
Governmental Agencies.....	03
Public.....	02
Total Directors.....	24

- e. The Board of Directors shall elect from their Members a Chair and a Chair-Elect. These shall serve one-year terms congruent with the fiscal year of the WTTC. At the end of a one year term as Chair Elect, that individual shall become Chair of the Board for a one-year term, and the Board shall elect a new Chair Elect. The Chair will preside over the Board, prepare agenda for Board meetings, insure that meetings are posted in the time and manner required by law, and sign any official documents required by the WTTC as

directed and approved by vote of the Board. In the event that the Chair is absent, the Chair Elect shall serve as Chair.

3.05 QUALIFICATIONS OF DIRECTORS: Except for the Directors chosen from the Public, who will not be Members or representatives of Members, all Directors shall be the Chief Administrative Officers (or his/her designated proxy) of Members of WTTC which are current with respect to payment of dues and any assessments. Termination of Membership for any reason will constitute an automatic resignation by any Director or Directors representing that member. **No Member who is providing services to the consortium or any of its members may serve on the Board of Directors.**

3.06 TERMS OF DIRECTORS:

- a. The Members of the Board of Directors shall be elected to serve staggered terms of three (3) years, unless elected to fill the remaining term of a vacant position on the Board, and except as to the initial Directors.
- b. The initial Directors shall draw lots to determine which Directors will serve one (1) year terms, which Directors will serve two (2) year terms, and which Directors will serve three (3) year terms.

3.07 ACTION BY DIRECTORS:

- a. A majority of the total number of Directors then qualified and acting shall constitute a quorum for any meeting of the Board of Directors. Once a quorum is present at any meeting of the Board, each Director shall be entitled to one vote upon each matter upon which the Directors vote. The vote of the majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board unless a greater number is required by this Agreement.
- b. At any meeting of the Board, Directors may be present by proxy and may vote on any question, or may vote by EMAIL OR any electronic or telephonic means approved by the Board.

3.08 MEETINGS: The Board of Directors shall meet at least quarterly or more often as needed, at such time and place as the Board may, from time-to-time decide. The Board Chair or any six (6) or more Directors may call special meetings of the Board of Directors.

3.09 ELECTRONIC OR TELEPONIC MEETINGS: Subject to the provisions required or permitted by state law this Agreement for notice of meetings, members of the Board or members of any committee designated by the Board may participate in and hold meetings of the Board or any committee by means of conference telephone, video conference or other electronic means by which all persons participating in the meeting can hear each other and the persons attending the meeting can hear the Board members, and participation in a meeting pursuant to this Section shall constitute presence of a person at such meeting.

3.10 Wide Area Network (WAN) administrator: The WAN administrator of the WTTC shall serve as the liaison between the Board of Directors and the Members. The WAN administrator shall also work with vendors and other entities to ensure the mission and objectives of the WTTC are met. The qualifications and duties of the WAN administrator are housed at Region 14 Education Service Center.

3.11 Technology Steering Committee: The WAN administrator shall form a technology steering committee made up of technology specialists employed by the members. The steering committee will work with the WAN administrator in developing and implementing new procedures for the WTTC with the approval of the Board of directors. The steering committee will also work with the WAN administrator in the product evaluation process and bring recommendations to the Board.

ARTICLE FOUR

DUES, ASSESSMENTS AND PAYMENTS

4.01 **CURRENT REVENUES AND DEBT:** Notwithstanding anything to the contrary that may be contained in this Agreement, all dues, assessments and payments by a member under this Agreement must be made from current revenues available to that member. All payments under this Agreement must be in amounts that fairly compensate the performing party for the services or functions performed under this Agreement.

ARTICLE FIVE

TERM

5.01 **TERM:** This Agreement shall continue in force and effect for a period of 25 years from the date of this Agreement and for successive five (5) year terms thereafter, unless sooner terminated; provided, however, that in the event Gov. Code Section 791.001 (f) requires an annual renewal of this Agreement, the government and public non-profit Members shall be deemed to have elected to renew the Agreement annually on the anniversary date of the Agreement unless the Members decide to terminate the Agreement by not less than an 80% vote of three Classes of Membership, one of which must be the ISD Class of Membership.

5.02 **WITHDRAWAL:** Notwithstanding Section 5.01 of this Agreement, any Member may withdraw at any time from this Agreement pursuant to Section 2.06 of this Agreement.

ARTICLE SIX

GENERAL PROVISIONS

6.01 **CONSTRUCTION:** This Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the Members and WTTC created by this Agreement are performable in Nolan County, Texas.

6.02 **AUTHORIZATION:** Each member, by becoming a party-signatory to this Agreement, represents and warrants to the other Members that its respective governing body has authorized and approved the contract represented by this Agreement, that all required approvals have been obtained, and all prerequisites to the execution, delivery and performance of this Agreement have been obtained by or on behalf of the Member.

6.03 **FISCAL YEAR:** The fiscal year of WTTC shall be September 1 through August 31.

6.04 **AUDIT:** The Board of Directors shall cause an annual audit of the books and records of WTTC to be conducted. A copy of the audit shall be made available to each Member.

6.05 **STAFF:** Any person employed or retained by WTTC who remains employed by a Member or other organization shall be subject to the personnel rules that apply to other employees of that Member or other organization.

6.06 **SEVERABILITY:** In the event any provision of this Agreement is held to be illegal, invalid or otherwise unenforceable, that holding shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the unenforceable provision had never been included in this Agreement.

6.07 PROXIES: At any meeting of the Members, the Chief Administrative Officer, or at any Board Meeting of any committee designated by the Board, a Director, may be present by proxy and may vote by proxy on any question, provided that the instrument authorizing the proxy is in writing and executed by the Chief Administrative Officer, or the Director, as the case may be and furnished to the person in charge of the meeting. Each designation of proxy shall be revocable, either by personal appearance by the person granting the proxy or in writing. Representation by proxy shall not occur more than 1 time each fiscal year.

6.08 NOTICES:

- a. Meetings of the Board of Directors of WTTC shall be subject to the same notice and posting provisions as are the meetings of the Region 14 Education Service Centers. Until another location is determined by the Board of Directors, Mike Wetsel's office at Region XIV, Abilene shall be the location for central posting of notices of meetings, and copies of notices of meetings of Members and Directors of WTTC shall be sent to the Directors and Members of WTTC.
- b. Meetings of a Class of Members shall be held only after at least three (3) days prior notice to the Members of that Class, except in the case of an emergency meeting, which may be held upon three (3) hours prior notice to Members. Any Member may waive notice prior to, during or after any meeting of Members.
- c. Each Member shall give the Board of Directors, or the person designated by the Board, the Member's correct mailing address, telephone number, FAX number and contact person, and notices shall be deemed delivered which properly addressed (i) three days after the deposit of the notice into the United States Mail, or (ii) immediately upon confirmation of receipt of a FAX transmission. Each Member shall be responsible for conveying any changes in the information with respect to the Member's mailing, telephone, FAX, or contact person.

ARTICLE SEVEN

POLICIES AND PROCEDURES

7.01 NETWORK SECURITY:

- a. Each LAN must have a method in place by which all workstations and servers on the LAN must keep current with all security updates. That plan will be presented to the director. Any LAN that does not keep up with current security updates will be subject to preventative measures that ensure the security of the entire WAN. These issues will be addressed by using disaster recovery teams; cookbooks and tools for network monitoring; participate in SUS or equivalent products; net monitoring training, and other ideas as they come about.
- b. All workstations and servers must have anti-virus protection. Email servers must scan all messages for possible viruses. Methods must be in place to have definitions downloaded daily to all workstations and servers. An acceptable product (i.e. enterprise editions of Symantec, McAfee, or others approved by the board) must be used. Suspect machines or LAN's may be subject to being disconnected by the local district or WAN administrator until the issue is resolved after proper communication has been made to all parties. The consortium has the option of isolating the LAN from the WAN if the problems persist or endangers the other members of the WAN. Compliance with this policy is subject to audit at any level by a director-appointed team and is effective immediately.
- c. The Policy Subcommittee will meet annually, more often if necessary, to review the policies and guidelines of WTTC and make recommendations to the Board of Directors. These policies and guidelines will become part of the consortium's strategic plan.

7.02 NETWORK SAFETY:

- a. All workstations and servers must have content filtering in place either by using the service provided at the entrance to the WAN or by providing a local device at the entrance to the LAN or both. This filter must adhere to all CIPA (Child Internet Protection Act) rules and regulations and can be monitored or audited by the WTTC staff.

7.03 WEB-BASED EMAIL & INSTANT MESSAGING:

- a. Web-based email, other than that provided by the district or consortium, will not be accessible to students unless that service can be monitored and filtered for objectionable content. Web-based email can be provided to members' staff if it can be done in such a way as to also prohibit student use.
- b. Students participating in online courses (i.e. distance ed, Internet, etc.) that require access to email may be allowed access to web-based email on a limited basis.
- c. Instant messaging will not be allowed unless required as in part b above.

7.04 USE OF UNNECESSARY INTERNET MEDIA APPLICATIONS:

- a. Use of Internet media applications such as Internet radio is highly discouraged unless deemed a necessary part of the day's curriculum. Members found to be using unnecessary amounts of bandwidth may lose access privileges until steps are taken to monitor and manage usage.

7.05 CONCERNING THE MOVEMENT OF WAN EQUIPMENT BY A MEMBER CLIENT

- A. WHEN IT MAY BECOME NECESSARY TO MOVE WAN TELECOMMUNICATIONS EQUIPMENT AT A MEMBER SITE, THE MEMBER MUST REALIZE THAT IT MAY BECOME THE RESPONSIBILITY OF THE MEMBER TO ACCOMPLISH THE MOVEMENT. THE MEMBER SHOULD BRING ITS ISSUE TO THE WTTC BOARD AT THE EARLIEST POSSIBLE TIME AND THE BOARD WILL CONSIDER THE MATTER ON A CASE-BY-CASE BASIS. IF IT IS DETERMINED THAT THE RESPONSIBILITY LIES WITH THE MEMBER, THEN THE MEMBER CLIENT WILL 1) SEE THAT THE PROPER COMMUNICATION IS MADE TO THE WTTC ADMINISTRATOR, THE TELECOMMUNICATIONS VENDOR, THE WTTC BOARD AND ANY OTHER INVOLVED PARTIES, 2) WORK WITH THE WTTC ADMINISTRATOR AND THE VENDOR TO DETERMINE THE MOST COST EFFECTIVE METHOD BY WHICH TO ACCOMPLISH THE TASK, AND 3) BUDGET FOR ANY COSTS THAT MAY BE INCURRED IN THE MOVEMENT OF SAID EQUIPMENT AND THE ACCOMPLISHMENT OF THE TASK.

This Agreement constitutes the entire Agreement between and among the Members with respect to the Network, and supersedes any prior understandings, whether written or oral, with respect to the Network.

Name (Please Print)

Title (Please Print)

Signature

Date

Organization

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Texas State Technical College – Sweetwater

EXHIBIT 12
WTTC Board Resignation Letter of Larry Wilke



To: WTTC Board of Directors

From: Larry Wilke, Director of Special Projects

Date: October 7, 2010

Subject: Resignation as Board Member of WTTC

I would like to say that it has been a great pleasure serving on the WTTC Board for over 10 years. As an employee of Texas State Technical College, I feel that being a WTTC Board Member can be viewed as a conflict of interest.

I feel that I could better serve the consortium if I was not a representative on the board for WTTC. Again, I would like to reiterate that I really have enjoyed serving on the WTTC Board and helping improve the network over all the years. It is now to the point that on the WTTC Network, everything is running very smooth with hardly any unplanned down time. Good luck in the future.

Yours Truly

Larry Wilke

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EXHIBIT 13
WTTC Board Resignation Email of Tracy Millican

Evan Carb

From: Wetsel, Mike [mwetsel@esc14.net]
Sent: Sunday, January 09, 2011 6:33 PM
To: carblaw@verizon.net
Subject: Fwd: Board Packet for WTTC Meeting

----- Forwarded message -----

From: MILLICAN, TRACY STEEN (ATTSWBT) <ts8733@att.com>
Date: Wed, Oct 6, 2010 at 4:38 PM
Subject: RE: Board Packet for WTTC Meeting
To: "Wetsel, Mike" <mike.wetsel@escxiv.net>
Cc: "SHANAHAN, SEAN (ATTSWBT)" <SS0913@att.com>

Mike,

I'm sorry I've been out of the office and missed this email. I just went through some ERATE training this week and it looks like the rules have changed again so I think it would be better if AT&T isn't a board member. Sean and I will still be available for any information that you might need.

Have a great day,

Tracy Millican
Sr. Account Mgr.
432 498-2505
432 684-2307 Fax
tracy.millican@att.com

Sent to you by AT&T... America's Fastest Mobile Broadband Network. *Rethink Possiblesm*

Orders can be emailed to: GEM.TX.ORDERS@RDSMAIL.IMS.ATT.COM

Other important numbers:

Jemiccia Hopkins-Berry 713 567-1310 or 1 866 802-7667, opt 3

Service Representative 1 800-610-0012

Repair: 800.246.8464

Data Circuit Repair: 800:442.9950

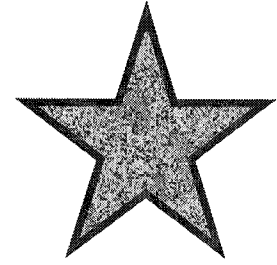
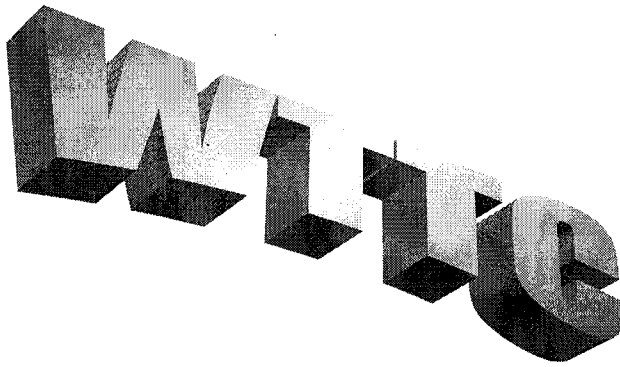
DSL Repair: 877.722.3755

Long Distance Repair: 877.585.2220

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EXHIBIT 14
WTTC Board Minutes of August 2, 2006



Meeting Minutes

August 2, 2006

The WTTTC Governing Board of Directors meeting was called to order at 8:30 a.m. by the board chair, Richard Shelburn.

Introduction of Guests:

Board members present included: Richard Shelburn, Hal Porter, Larry Wilke, David Perry, Jim White, Ronny Beard, Todd Burleson, Kent LeFevre, Mary Ross, Shane Fields, Jay Baccus, Jim Palmer, Roger Huber, Ronny Collins, Dianna Turner, Randy Burks, Doug Bowden, Donald Hughes, and K.B. Massingill.

Others attending were: Andy Wilson, Randy Teakell, Gaylon Brnovak, Beverly Warren, Johnny Warren, Brooks Eoff, Michael Burfiend, Mike Wetsel, Robb McClellan, and Tommy Bearden.

Action Items from June Meeting

The minutes from April 5th meeting, financial report, and nominations committee report were all approved by vote of the board via email.

Recognition of New Board Members

David Perry of Gorman and Jay Baccus of Anson were elected to the board for 3 year terms. Dianna Turner, Randy Burks, Ronny Collins, and Mary Ross will continue to serve the board for another 3 year term. The board would like to thank Karen Kidd and Bill Hood for their service to the board.

Transfer of Board Chair

Richard Shelburn turned over the chairmanship of the Board to Hal Porter for the 2006-07 year. Donald Hughes will serve as vice chair. Thanks go to Richard for his service to the board.

Approval of June 7th Minutes:

A motion to approve the minutes from the June 7th meeting was made by Richard Shelburn and seconded by Larry Wilke. The motion carried.

Financial Report:

A motion to accept the financial report was made by Shane Fields and seconded by Kent LeFevre. The motion carried. A motion was made by David Perry and seconded by Ronny Beard to accept the new budget for 2006-07. The motion carried unanimously. The budget for the new year is \$1,019,584.

WAN Update:

WAN Utilization - Larry Wilke reported that bandwidth usage was at about 50-60% of capacity in the summer and increased to about 67% in August as school started.

Network Analysis Proposal - Keith White of DATROO Technologies submitted a proposal to check the traffic flow of data through the network. The board decided that this audit of traffic flow could wait until a later date. Security audits would be something that needed to be done at the individual LAN level.

Router Replacement Report - Steve said that routers to replace the model 3810's that were still in schools had been ordered and would be delivered to TSTC as soon as possible. TSTC would configure the routers and install them as quickly as they could.

USAC Update:

Steve Simoneau reported that the final installment of funds from USAC in the amount of \$137,215 has been requested and should come sometime in August. The proposed fee structure for WTTC fees for 2006-07 was also given to the board.

Grant Update:

The Target grant project was completed and reports had been sent to TEA. RUS II was proceeding with bids for video conferencing equipment. The results of those bids would be presented at the October meeting.

DL Update:

The Grace Museum reported that 648 students from 14 school districts had been served the past year. They again asked the board for continued help with connectivity and video support costs. Kent LeFevre made the motion to continue to provide the Grace with the funding needed to connect to the WAN in exchange for electronic field trip content for the member schools. Todd Burleson seconded the motion and the motion passed. The added cost to the fee structure would be \$120 per circuit.

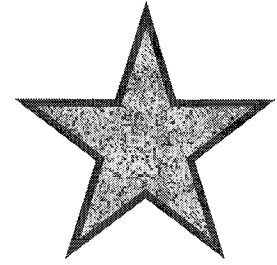
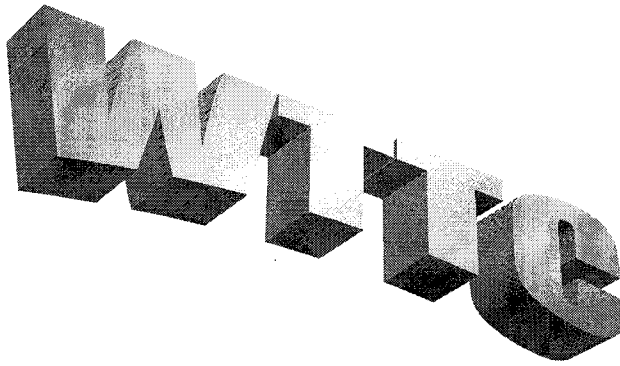
Other:

Hal Porter brought up the idea to review the consortium's organization contract. Steve Simoneau said that he would get information to bring to the board at the next meeting. The next meeting date is October 4, 2006. The meeting will be held in the Nolan Room.

The meeting was adjourned at 9:20 a.m. A video stream of the meeting can be found at <http://streaming.esc14.net/ESC14/WTTC>.

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EXHIBIT 15
WTTC Board Minutes of October 4, 2006



Meeting Minutes

October 4, 2006

The WTTTC Governing Board of Directors meeting was called to order at 8:35 a.m. by the board chair, Hal Porter.

Introduction of Guests:

Board members present included: Hal Porter, Larry Wilke, David Perry, Ronny Beard, Todd Burleson, Shane Fields, Jay Baccus, Roger Huber, Ronny Collins, Dianna Turner, Jim White, Doug Bowden, and Donald Hughes.

Others attending were: Steve Parry and Dennis Francis from Conterra, Scott Ferguson from AT&T, Tony Spradlin, Dwayne Dove, Sharon Jones, Gaylon Brnovak, Brooks Eoff, Michael Burfiend, Ronnie Kincaid, Robb McClellan, and Tommy Bearden.

Approval of August 2nd Minutes:

A motion to approve the minutes from the August 2nd meeting was made by Roger Huber and seconded by David Perry. The motion carried.

Financial Report:

The WTTTC received \$137,215 from USAC August 23rd. This money was placed into fund balance to help defray future expenditures. A motion to accept the financial report was made by Larry Wilke and seconded by Shane Fields. The motion carried.

WAN Update:

Review Organization Contract - The contract has not been reviewed for three years. The contract as it now states is to be reviewed annually. Hal Porter, Roger Huber, Shane Fields, Donald Hughes, and Steve Simoneau will form a committee to review the contract and bring any changes or updates back to the board in December. Steve Simoneau stated that because of the amount of administrative turnover in the districts, this document should be reviewed and placed in front of the members to be recommitted to.

Router Replacement Report - Steve Simoneau stated that so far about 24 routers have been received and are in the process of being configured and installed. The offer of replacing the 3810 router at a reduced cost is still in effect until the beginning of November.

Connectivity Options - Dennis Francis and Steve Parry from Conterra Systems presented an option for connectivity to the WAN that the consortium wanted to consider. This option is a wireless option that can provide anywhere from 100MB to 1GB to rural schools throughout

the area. The solution presented would be more expensive but would also provide much more bandwidth to the members. The cost per MB would be less with this type of system. Steve Simoneau stated that this type of system might demand a restructure of the fee schedule to a per MB structure rather than the per T1 schedule we use now. Using this scenario at the local level is also an option. Steve also stated that this bandwidth solution is within the WAN and does not affect the Internet bandwidth which now stands at 45MB. This solution may also be just a partial solution to those who need more bandwidth and not a solution for all members. Ronnie Beard made the motion to call for an RFP. David Perry seconded the motion and it carried unanimously. *Adding Internet Bandwidth* - Larry Wilke brought up the fact that in order to get the pricing for extra bandwidth he would need to purchase 80MB or ½ of an OC3 circuit. The plan would be to set up 60MB for WTTC and 20MB for TSTC. The bandwidth would be separated at the core router and would be guaranteed for both. A motion was made by Donald Hughes to allow Larry to pursue this purchase. The motion was seconded by Jay Baccus and the motion carried.

USAC Update:

Steve Simoneau reported that the final installment of funds from USAC in the amount of \$137,215 was received August 23rd. Steve also stated that the Letter of Agency and CIPA form for year 10 needed to be sent out and signed. As soon as those forms are received in the WTTC office the Form 470 application can be submitted.

Grant Update:

RUS II is proceeding with orders for video conferencing equipment. When that equipment arrives, Tommy Bearden will make arrangements for the units to be delivered and installed.

DL Update:

The Grace Museum reported that 540 students from member school districts were served in August and September. Over 2500 students were served statewide. Tommy Bearden supplied information on the upcoming video projects that are listed on the web site <http://admin.esc14.net/webs/ctsvideo>. Any members that experienced poor video quality should contact their local technology specialist as well as Tim or Tommy.

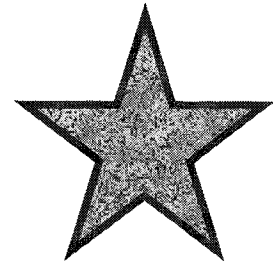
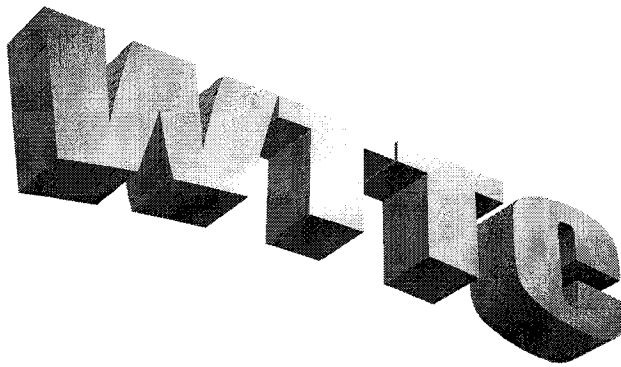
Other:

The next meeting date is December 6, 2006. The meeting will be held in the Nolan Room at Region 14 Education Service Center.

The meeting was adjourned at 9:55 a.m.

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EXHIBIT 16
WTTC Board Minutes of December 6, 2006



Meeting Minutes December 6, 2006

The WTTTC Governing Board of Directors meeting was called to order at 8:35 a.m. by the board chair, Hal Porter.

Introduction of Guests:

Board members present included: Larry Wilke, David Perry, Ronny Beard, Shane Fields, Jay Baccus, Roger Huber, Ronny Collins, Dianna Turner, Mary Ross, Richard Shelburn, Doug Bowden, and Donald Hughes.

Others attending were: Sharon Jones, Cliff Rose, Jon Denison, Tony Spradlin, Dwayne Dove, Sharon Jones, Gaylon Brnovak, Brooks Eoff, Michael Burfiend, Ronnie Kincaid, Robb McClellan, and Tommy Bearden.

Approval of October 4th Minutes:

A motion to approve the minutes from the October 4th meeting was made by Doug Bowden and seconded by Ronny Beard. The motion carried.

Financial Report:

A motion to accept the financial report was made by David Perry and seconded by Roger Huber. The motion carried.

WAN Update:

Bandwidth Update - The bandwidth usage on the WAN is hovering at about the 80% level. Larry Wilke reported that plans were still in place to increase the Internet bandwidth to 60Mbps from the existing 45Mbps speed.

Organization Contract - Steve Simoneau brought forth additions and changes to the membership contract. The document passed on the first reading.

USAC Update:

Steve Simoneau reported that the Request for Proposal was let to see if the consortium could find new ways to increase the bandwidth inside the WAN. These proposals would be due January 18, 2007. Steve asked the board to call a special meeting to discuss the proposals sometime in late January since the e-rate application would need to be submitted before the regular board meeting February 7th. A meeting was scheduled for January 24th at 9:30 a.m. at Region 14. Those who could not attend would be afforded the opportunity to be part of the meeting via video conference.

Grant Update:

RUS II equipment is arriving and districts are being contacted to come pick it up as soon as possible.

DL Update:

The Grace Museum reported that 180 students from member school districts were served in October and November. Ranger College requested that they be allowed to use the WAN to deliver courses to Dublin. It was suggested that the WTTC staff make arrangements to speak with the president of Ranger College to see what might be worked out. Plans were also being made for Santa's annual visitation to the schools in Region 14.

Other:

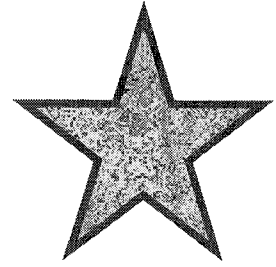
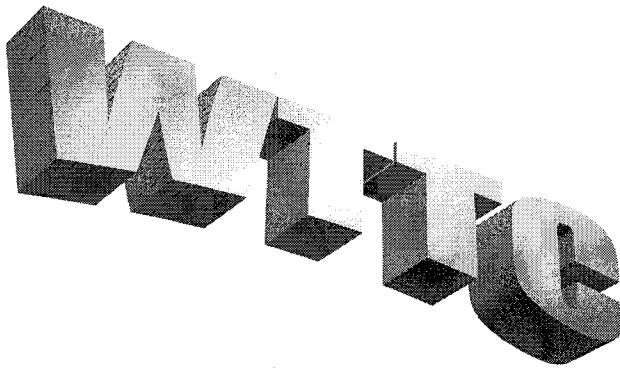
The next regular meeting date is February 7, 2007. The special called meeting will be January 24, 2007. The meeting will be held in the Nolan Room at Region 14 Education Service Center.

The meeting was adjourned at 9:40 a.m.

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EXHIBIT 17
WTTC Board Minutes of January 24, 2007



Meeting Minutes

January 24, 2007

The WTTTC Governing Board of Directors meeting was called to order at 9:35 a.m. by the board chair, Hal Porter.

Introduction of Guests:

Board members present included: Hal Porter, Larry Wilke, Ronny Beard, Todd Burleson, Roger Huber, Ronny Collins, Dianna Turner, Jim White, Doug Bowden, and Donald Hughes.

Others attending were: Pam Alvarez, Katrina Bogle, Rick Howard, Sue Schlueter, Phillip England, Tim Kelley, Dana Keiner, Sharon Jones, Patti Sedberry, Barbara Martin, Cliff Rose, Mike Wetsel, Joe Light, Tony Spradlin, Gaylon Brnovak, Brooks Eoff, and Robb McClellan.

Review RFP's:

Steve Simoneau gave a presentation on the 3 RFP's that were received on January 18, 2007. The proposals came from Computer Networking Solutions, Trillion Partners, Inc., and Conterra Ultra Broadband, LLC. The proposal from CNS was ruled out because of price point and because it did not include all members in its initial design. The question was brought up why other vendors did not submit a proposal. Steve stated that he received inquiries from 7 vendors but that these were the only submissions. Steve also made the point that members could choose the traditional T1 connectivity or the wireless connectivity option. There was much discussion concerning the actual pricing depending on which option was chosen. It was decided that a survey would be sent out immediately to poll the wishes of the membership as to connectivity option. Steve Simoneau would then generate the pricing numbers as best he could and deliver that information to the group at Mid-Winter breakfast Tuesday, January 30th. After much discussion Doug Bowden made the motion that if it was determined that some members chose the wireless option, that Conterra be the vendor of choice. Donald Hughes seconded the motion. A vote was taken with one member abstaining and all other members voting aye.

Steve also provided the proposals concerning Internet access. There were two proposals coming from TSTC and Trillion. TSTC proposed the traditional Internet access at \$1222 per month per connection. Trillion's proposal came in at \$2706 per month per site. Ronny Beard stated that he felt more comfortable with TSTC and was pleased that their proposal was the lesser of the two. Donald Hughes made the

motion to accept the TSTC proposal for Internet access. The motion was seconded by Ronny Beard. The motion carried unanimously with one abstention.

The meeting was adjourned at 11:40 a.m.